

Friday, 8 May 2026]

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REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS,

TABLINGS AND

COMMITTEE REPORTS

FRIDAY, 8 MAY 2026

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Referral to Committees of papers tabled

- (1) The following paper is referred to the **Joint Standing Committee on Financial Management of Parliament** for consideration:
 - (a) Fourth Quarterly Performance Report of Parliament for 2025/26, tabled in terms of section 54(1) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009).
- (2) The following papers are referred to the **Portfolio Committee on Transport**:
 - (a) Agreement between the Government of the Republic of South Africa and the Government of the Kingdom of Saudi Arabia on Bilateral Air Services, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.
 - (b) Explanatory Memorandum on the agreement between the Government of the Republic of South Africa and the Government of the Kingdom of Saudi Arabia on Bilateral Air Services.
 - (c) Agreement between the Government of the Republic of South Africa and the Government of the Kingdom of Eswatini on Bilateral Air Services, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.
 - (d) Explanatory Memorandum on the agreement between the Government of the Republic of South Africa and the Government of the Kingdom of Eswatini on Bilateral Air Services.

- (e) Agreement between the Government of the Republic of South Africa and the Co-operative Republic of Guyana on Bilateral Air Services, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.
 - (f) Explanatory Memorandum on the agreement between the Government of the Republic of South Africa and the Co-operative Republic of Guyana on Bilateral Air Services.
- (3) The following paper is referred to the **Portfolio Committee on Justice and Constitutional Development**:
- (a) Proclamation Notice No. R. 7372, published in *Government Gazette* No. 54519, dated 17 April 2026: Domestic Violence Regulations, 2022: Amendment, in terms of the Domestic Violence Act, 1998 (Act No. 116 of 1998).

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Justice and Constitutional Development

- (a) Report from the Minister of Justice and Constitutional Development, informing Parliament of the judgement delivered on 26 March 2026 by the KwaZulu-Natal Division of the High Court, Pietermaritzburg, interdicting and restraining the withholding of the salary or remuneration of Mr IB Blose, Additional Magistrate, KwaDukuza.

National Assembly

1. The Speaker

- (a) Public Protector Report No. 38 of 2025/26 relating to an investigation into allegations of abuse of power and/or improper conduct and breach of the Executive Ethics Code by Mr CM Ramaphosa, the President of the Republic of South Africa, in that he failed to act when Mr J Steenhuisen, MP, declared during a meeting with Mr Donald Trump, the President of the United States of America in the Oval Office, that uMkhonto weSiswe and Economic Freedom Fighters parties would be excluded from the Government of National Unity.

Referred to the **Portfolio Committee on Justice and Constitutional Development** for consideration.

- (b) Public Protector Report No. 57 of 2025/26, in terms of section 182 (1)(b) of the Constitution of the Republic of South Africa, 1996, relating to an investigation into allegations of breach of the Executive Ethics Code by Ms Khumbudzo Ntshavheni, the Minister in The Presidency, in relation to the unannounced oversight visit to

the Directorate for Conventional Arms Control by Messrs Chris Hattingh and Nicholas Gotsell.

Referred to the **Portfolio Committee on Justice and Constitutional Development** for consideration.

COMMITTEE REPORTS

National Assembly

1. Report of the Portfolio Committee on Sport, Arts and Culture on its Assessment of the 2025/26 Second and Third Quarter Financial and Non-Financial Performance Report of the Department of Sport, Arts and Culture Dated, 07 May 2026

The Portfolio Committee on Sport, Arts and Culture (“Committee”), having considered the 2025/26 Second and Third Quarter financial and non-financial reports of the Department of Sport, Arts and Culture (“Department”), reports as follows:

1. INTRODUCTION

Section 40(1)(f) of the Public Finance Management Act (PFMA) (No.1 of 1999) makes provision for the accounting officer of a department to submit all reports, returns, notices and other information to Parliament. The Act also stresses the need for accounting officers to regularly monitor and report on the performance of their departments against the agreed budget for the year.

Section 5(1)(c) of the Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009) determines that the National Assembly (NA), through its committees, must annually assess the performance of each national department in relation to the expenditure report of the said department published by the National Treasury in terms of section 32 of the PFMA.

The Committee conducts in-year monitoring and assessment of the service delivery and financial performance of the Department towards achieving the performance indicators and targets as set out in the Annual Performance Plan (APP). The quarterly assessments of the Department’s financial and nonfinancial performance also assist the Committee in its preparation for the annual submission of the Budgetary Review and Recommendation Report (BRRR) as determined by section 5(2) of the Money Bills Amendment Procedures and Related Matters Act (No. 9 of 2009).

The Committee convened a meeting on 27 March 2026 to assess the Department's 2025/26 Second and Third Quarter performance reports.

The purpose of this Committee report is to provide an assessment of the financial and non-financial performance of the DSAC against its predetermined objectives and quarterly milestones as part of the Committee's ongoing budgetary oversight.

2. VOTE 37: SPORTS ARTS AND CULTURE – POLICY AND STRATEGIC CONTEXT¹

The policy context for the Department is rooted in the Constitution of the Republic of South Africa (1996), which guarantees all citizens the right to participate in cultural and sporting activities of their choice. The Department operates within a framework designed to accelerate transformation, promote social cohesion, and preserve South Africa's diverse cultural, heritage, and linguistic identity. For the 2025/26 financial year, the Department's policy priorities are specifically aligned with the goals of the Government of National Unity (GNU), which emphasises driving economic growth and national unity through the sport, recreation, arts, culture, and heritage (SRACH) sector.

The Department's strategic outcomes for the medium-term period (2025–2030) focus on creating a diverse, socially cohesive society with a common national identity. These goals are further supported by objectives to increase the economic impact of the sector, ensure equitable access to infrastructure and information, and foster a transformed and professional workforce.

Key strategic outcomes include:

- **Active Nation:** Developing a diverse, socially cohesive society with a shared national identity.
- **Economic Growth:** Driving inclusive growth and job creation by leveraging SRACH programmes.
- **Transformed and Capable Sector:** Building a professional, compliant, and responsive sector at both national and international levels.

¹ Department of Sport, Arts and Culture. (2025). *Annual Performance Plan 2025/2026*. Pretoria, Department of Sport, Arts and Culture.

- **Infrastructure and Information Access:** Ensuring citizens have access to necessary sport and cultural facilities and heritage information.

The Department's planning is intricately linked to several high-level Government strategies that provide direction for the sector. These include:

- *National Development Plan (NDP) 2030:* Serves as the overarching long-term vision, particularly regarding a fully transformed sports landscape and social cohesion.
- *Medium-Term Development Plan (MTDP):* Guides the Department's immediate priorities and outcomes for the current government term.
- *Revised White Paper on Arts, Culture and Heritage:* Provides the sectoral policy framework for the arts and culture domain.
- *White Paper on Sport and Recreation:* Outlines the strategic direction for sports development and participation.
- *National Infrastructure Plan 2050 (NIP 2050):* Informs the Department's strategy for building sustainable and inclusive facilities in underserved communities.
- *Cultural and Creative Industries Masterplan:* A critical initiative focused on stimulating economic development and job creation within the creative sector.

In October 2025, the Committee adopted a report on its assessment of the 2024/25 Fourth Quarter and 2025/26 First Quarter Financial and Non-Financial Performance Report of the Department.² In keeping with this continuing oversight work, the present report takes the Committee's assessment forward by focusing on the 2025/26 Second and Third Quarters, which are discussed in detail below.

3. 2025/26 QUARTERLY EXPENDITURE AND PERFORMANCE

Table 1 below provides an overview of quarterly expenditure for the first three quarters of the 2025/26 financial year.

² Parliament of the Republic of South Africa. (2025). Announcements, Tablings and Committee Reports, No 186—2025, 28 October [Internet]. Available from: <<https://www.parliament.gov.za/storage/app/media/Docs/atc/01ls62wgbyjwdw316s6fezzwbwyp36b6ji.pdf>> [Accessed 22 April 2026].

Table 1: Summary of the 2025/26 Budget and Quarterly Performance of the Department of Sport, Arts and Culture

2025/26 VOTE 37: SPORT, ARTS AND CULTURE					
R million	Main appropriation	Adjusted appropriation	Expenditure at the end of Quarter 1	Expenditure at the end of Quarter 2	Expenditure at the end of Quarter 3
Programme					
1: Administration	516,2	516,7	172,5	289,7	389,8
2: Recreation Development and Sport Promotion	1 281,1	1 267,2	202,7	481,6	919,9
3: Arts and Culture Promotion and Development	1 725,5	1 725,3	293,9	711,7	1 090,1
4: Heritage Promotion and Preservation	2 787,1	2 800,8	546,0	1 409,5	2 160,8
Total	6 309,9	6 309,9	1 215,1	2 892,5	4 560,4
Year-to-date actual expenditure as % of available budget			19.3%	45.8%	72.4%

Source: Standing Committee on Appropriations. (2025; 2026). *1st – 3rd Quarter Expenditure Reports*. Cape Town, Parliament of the Republic of South Africa.

Table 2 below provides a snapshot of the rate of success of the implementation of planned outputs per quarter up to the end of the Third Quarter. It also gives an indication of actual expenditure expressed as a percentage of projected expenditure budget per quarter.

Table 2: Snapshot of the rate of success of the implementation of planned outputs per quarter for the first three quarters of the 2025/26 financial year

Programme	Performance targets achieved		
	Quarter 1	Quarter 2	Quarter 3
1. Administration	1 of 1 (100%)	1 of 1 (100%)	1 of 1 (100%)
2. Recreation Development and Sport Promotion	1 of 2 (50%)	4 of 4 (100%)	1 of 4 (25%)
3. Arts and Culture Promotion and Development	3 of 3 (100%)	3 of 3 (100%)	6 of 6 (100%)
4. Heritage Promotion and Preservation	2 of 2 (100%)	2 of 3 (67%)	3 of 3 (100%)
Total	7 of 8 (88%)	10 of 11 (91%)	11 of 14 (79%)
Actual expenditure as % of projected expenditure budget	90.1%	85.6%	100.2%

Source: Department of Sport, Arts and Culture. (2025, 2026). *Quarterly Performance Reports: 2025/26 Financial Year*, Presented to the Committee.

The Committee report will now explore financial and non-financial performance for the two quarters under review.

3.1. Overview and assessment of the 2025/26 Second Quarter Expenditure budget allocation and expenditure

The expenditure information below has been extracted from the quarterly expenditure reports published by Parliament's Standing Committee on Appropriations (SCoA).

3.1.1. Expenditure per Programme

Table 3 below provides a summary of the 2025/26 appropriation for each programme, as well as actual and projected expenditure for the Second Quarter.

Table 3: Summary of the budget allocation and expenditure for the Second Quarter of the 2025/26 financial year

2025/26 VOTE 37: SPORT, ARTS AND CULTURE						
R million	Main appropriation	Year-to-date			Q2	
		Q2 Actual expenditure	Variance	Actual expenditure as % of main appropriation	Q2 Projected expenditure	Actual expenditure as % of projected expenditure budget
Programme						
1. Administration	516,2	289,7	226,5	56.1%	293,6	98.7%
2. Recreation Development and Sport Promotion	1 281,1	481,6	799,5	37.6%	627,2	76.8%
3. Arts and Culture Promotion and Development	1 725,5	711,7	1 031,8	41.2%	1 043,3	68.2%
4. Heritage Promotion and Preservation	2 787,1	1 409,5	1 377,6	50.6%	1 414,3	99.7%
Total	6 309,9	2 892,5	3 417,4	45.8%	3 378,4	85.6%

Source: Standing Committee on Appropriations. (2025). *2nd Quarter Expenditure Report*. Cape Town, Parliament of the Republic of South Africa.

The Department's annual appropriation for the 2025/26 financial year is R6.31 billion. The SCoA Second Quarter expenditure report shows that the Department spent R2.89 billion against a projected R3.38 billion, resulting in a variance of R485.9 million (14.4 per cent). This slower-than-anticipated spending was primarily driven by delays in Programme 2: Recreation Development and Sport Promotion and Programme 3: Arts and Culture Promotion and Development.

3.1.1.1. Programme 1: Administration

This programme spent R289.7 million, which was R3.9 million (1.3 per cent) lower than projected spending of R293.6 million, primarily driven by slower spending on Compensation of employees and Goods and services. The minor variance is attributed to ongoing processes to fill vacant posts and non-payment of invoices for state-owned facilities to the Department of Public Works and Infrastructure (DPWI) while resolving audit issues with the Auditor-General of South Africa (AGSA).

3.1.1.2. Programme 2: Recreation Development and Sport Promotion

Actual expenditure of R481.6 million was R145.6 million (23.2 per cent) below projected expenditure of R627.2 million, mainly on Transfers and subsidies and Payments for capital

assets. Significant delays occurred in transferring funds to sports federations and capital transfers to entities due to protracted infrastructure project reviews. Spending on payments for Capital assets is slower than projected. Additionally, payments for the National Archives Heating, Ventilation and Air Conditioning (HVAC) project were delayed due to DPWI invoice discrepancies for work carried out on the project.

3.1.1.3. Programme 3: Arts and Culture Promotion and Development

At the end of the Second Quarter, this programme spent R711.7 million, resulting in a variance of R331.6 million (31.8 per cent) against projected spending of R1.04 billion. This was mainly driven by Goods and services and Transfers and subsidies. Contributing factors included pending contractor invoices for G20 activities and delayed Presidential Employment Stimulus (PESP 6) transfers to the National Arts Council (NAC) and the National Film and Video Foundation (NFVF). These were processed towards the end of the Second Quarter due to the longer-than-anticipated finalisation of the Memoranda of Agreement (MoAs). Transfers to beneficiaries for Mzansi Golden Economy (MGE) exceeded the budget due to higher-than-expected demand, with more beneficiaries approved for funding. The Department will remain within the MGE allocation by reprioritising funds to prevent overspending.

3.1.1.4. Programme 4: Heritage Promotion and Preservation

Spending was largely on track at R1.4 billion, reflecting only a R4.8 million (0.3 per cent) variance from projected spending.

Higher-than-projected spending on the Community Library Services Grant (Current) was due to the reclassification of non-infrastructure capital spending as current expenditure. In addition, the transfer to the Engelenburg House Art Collection was higher than expected because the MoA was finalised earlier than anticipated.

The SCoA Second Quarter Expenditure Report further notes that there was no disaster-related spending during this period, and no specific issues were flagged for the Committee's immediate attention.

3.1.2. Performance per Economic Classification

As per the summary of financial performance per economic classification outlined in Table 4, slower than projected spending is chiefly in Transfers and subsidies and Payments for capital assets.

Table 4: Summary of the 2025/26 budget and Second Quarter financial performance of the Department of Sport, Arts and Culture per economic classification

2025/26 VOTE 37: SPORT, ARTS AND CULTURE						
R million	Main Appropriation	Year-to-date			Q2	
		Q2 Actual Expenditure	Variance	Actual expenditure as % of main appropriation	Q2 Projected Expenditure	Actual expenditure as % of projected expenditure budget
Economic Classification						
Current Payments	1 060,2	536,6	523,6	50.6%	556,0	96.5%
Compensation of employees	434,4	202,3	232,1	46.6%	216,9	93.3%
Goods and services	625,8	334,3	291,5	53.4%	339,1	98.6%
Transfers & subsidies	5 082,6	2 344,1	2 738,5	46.1%	2 743,8	85.4%
Payments for capital assets	167,1	11,8	155,3	7.1%	78,6	15.0%
Payments for financial assets	0,0	0,0	-	0.0%	0,0	-
Total	6 309,9	2 892,5	3 417,4	45.8%	3 378,4	85.6%

Source: Standing Committee on Appropriations. (2025). *2nd Quarter Expenditure Report*. Cape Town, Parliament of the Republic of South Africa.

Current Payments

Expenditure on Current payments at the end of the Second Quarter amounted to R536.6 million. This was lower by R19.4 million (3.5 per cent) against the projected expenditure of R556.0 million.

By the end of the 2025/26 Second Quarter, the Department spent R202.3 million (46.6 per cent) of the Compensation of employees budget of R434.4 million. This is R14.6 million (6.7 per cent) lower than projected quarterly expenditure.

Expenditure on Goods and services is R334.3 million (53.4 per cent) of the main appropriation of R625.8 million. The Department spent 98.6 per cent of the projected expenditure of R339.1

million. Expenditure in the Second Quarter is therefore R4.8 million (1.4 per cent) lower than projected.

Transfers and subsidies

Transfers and subsidies accounts for the largest portion of the budget (80.5 per cent). By the end of the Second Quarter, expenditure in this economic classification was R2.34 billion (85.4 per cent) against a projected R2.74 billion. Expenditure for the period is therefore lower than projected by R399.7 million (14.6 per cent).

Payments for Capital assets

This classification area showed the highest percentage variance spending only R11.8 million (15.0 per cent) against a projected R78.6 million. Expenditure is thus R66.8 million (85.0 per cent) lower than projected.

3.2. Overview and assessment of the 2025/26 Second Quarter Expenditure non-financial performance

In the 2025/26 financial year, the Department plans to implement twenty five (25) output indicators. Eleven (11) output indicators were planned for reporting for the Second Quarter. As at the 30 September 2025, ten (10) out of the eleven planned output indicators (91 per cent) were achieved and one (9 per cent) was not achieved. The target that has not been achieved was planned in Programme 4 and details of this are outlined in the narrative below.

3.2.1. Programme 1: Administration (1/1)

Targets achieved:

For the period under review, the Department achieved the single target (100 per cent) it planned to achieve for the Second Quarter. During the quarter under review, namely 100 per cent of valid invoices within 30 days. The Department also reported on progress relating to the system to be developed during the 2025/26 financial year to automate manual functions. While reporting on this is due in the 2025/26 Fourth Quarter, by the end of the Second Quarter, the Department had already developed three modules, including Schools Development; Athlete Coaching and Technical Official Support; and Club Development.

Target not achieved:

None.

3.2.2. Programme 2: Recreation Development and Sport Promotion (4/4)

This Programme achieved four out of the four (100 per cent) targets planned for the Second Quarter.

Targets achieved:

The Department exceeded its quarterly target by providing equipment and/or attire to 1 464 hubs, clubs or schools to enable participation in sport and/or recreation, against a planned target of 1 000 institutions. Funds were redirected to procure more sport attire leading to this overachievement. The Department planned to ensure 2 000 learners competing at the national school sport championship and based on cumulative performance for the First and Second Quarters, this target was exceeded with 3 361 learners competing in three sporting codes.

The Department failed to meet the planned target of supporting 52 school sport programmes at a district and/or local level during the First Quarter. However, at the end of the Second Quarter the actual achievement was 95 due to recovery plans to achieve the short fall in the first quarter because of the moratorium that was issued out to halt implementation of School Sport Programme.

A total of 52 municipalities were supported during the planning and implementation of sport infrastructure projects to ensure compliance with the applicable Norms and Standards. This was achieved as planned.

Target not achieved:

None.

3.2.3. Programme 3: Arts and Culture Development and Promotion (3/3)

This Programme achieved three out of the three (100 per cent) targets planned for the Second Quarter.

Targets achieved:

Due to the revised MGE Open Call there was an over subscription of projects and one of the Touring Venture Project was completed. The Department exceeded the planned target of supporting one cultural and creative industry project to enable local and international market access and supported two projects by the end of the Second Quarter.

As planned, the Department supported one programme contributing to the transformation of the cultural and creative industry. Further, it implemented both initiatives aimed at promoting social cohesion and nation-building.

Notably, while not due for reporting at the end of the Second Quarter, the Department noted that it had already exceeded the annual target of creating 10 000 work opportunities through the PESP 5. Across the public entities identified to implement PESP, a total of 21 230 work opportunities had already been created by the end of the Second Quarter.

Target not achieved:

None.

3.2.4. Programme 4: Heritage Promotion and Preservation (2/3)

This Programme achieved two out of the three (67 per cent) targets planned for the Second Quarter.

Targets achieved:

The Department planned to implement 108 initiatives to raise awareness of the national symbols. In response to a request from the Department of Cooperative Governance and Traditional Affairs (CoGTA), the Department provided extra flags for installation at Tribal Houses. This resulted in an actual achievement of 119 initiatives implemented.

The Department continues to make progress with the number of archival records digitised. The planned target for the Second Quarter was to digitise 150 archival records was exceeded and 201 records were digitised because of two contract workers assisting with the project.

While only due for reporting at the end of the 2025/26 financial year, the Department had already achieved its target of assisting 22 libraries financially.

Target not achieved:

The Department planned to publish one gazette notice on standardised geographical names. However, this was not achieved as at the end of the Second Quarter, the names were still being considered before approval and gazette notices were due to be published on or before the end of the Third Quarter.

In terms of achieving planned targets, the Department demonstrated strong non-financial performance, with only one missed target. However, at the end of the Second Quarter, there are still notable implementation risks on the financial side. These risks include underspending on infrastructure support, heritage assets, and transfers to entities.

3.3. 2025/26 Budget Adjustments

The Medium-Term Budget Policy Statement (MTBPS) and the Adjusted Estimates of National Expenditure (AENE) were tabled in November 2025. Table 5 provides a summary of the adjusted estimates for Vote 37.

Table 5: Vote 37 Adjusted Estimates 2025/26

2025/26					
VOTE 37: SPORT, ARTS AND CULTURE					
R thousand	Main Appropriation	Adjustments appropriation			Adjusted appropriation 2025/26
		Virements and shifts	Significant and unforeseeable economic and financial events	Total adjustments appropriation	
Programme					
1: Administration	516 194	496	-	496	516 690
2: Recreation Development and Sport Promotion	1 281 148	(13 970)	-	(13 970)	1 267 178
3: Arts and Culture Promotion and Development	1 725 531	(226)	-	(226)	1 725 305
4: Heritage Promotion and Preservation	2 787 071	13 700	-	13 700	2 800 771
Total	6 309 944	-	-	-	6 309 944

Source: National Treasury. (2025). *Adjusted Estimates of National Expenditure*. Pretoria, National Treasury.

The Department's budget remained at R6.31 billion, however the total virements and shifts amounted to R46.9 million within Vote 37 during the 2025/26 adjustments budget, with no additional allocations through unforeseeable expenditure, roll-overs, self-financing arrangements, or other adjustments. The adjustments largely reflect the reprioritisation of funds from delayed capital projects and underperforming allocations towards operational pressures and transfers to entities.

Programme 1 saw a minor upward adjustment of R496 000 for Goods and services.

The most significant downward adjustment occurred in Programme 2, which was reduced by R14.0 million, mainly due to reductions in infrastructure-related spending. This included shifts away from payments for Capital assets, particularly Heritage assets and Buildings and other fixed structures, indicating delays in infrastructure implementation. Funds shifted include R5.5 million allocated to the African Union Sports Council Region 5; R6.0 million allocated to the Sports Trust, and selected heritage institutions. Virements to Programme 4 (Heritage Promotion and Preservation) include R3.7 million to Iziko Museums of South Africa (Iziko Museums) and R7.0 million to Robben Island Museum.

Programme 3 recorded a marginal net reduction of R226 000, reflecting internal reprioritisation rather than major spending pressures. Funding amounting to R1.8 million was shifted from the Pan South African Language Board (PanSALB) towards contractor payments; R4.0 million from the Moral Regeneration Movement (MRM) to support for artists; and R800 000 was shifted to United Nations Educational, Scientific and Cultural Organization (UNESCO) contributions.

In contrast, Programme 4 received the largest net increase of R13.7 million, largely through reallocations to heritage institutions such as Iziko Museums and RIM. These increases were partly funded through reductions to allocations for Freedom Park and delayed heritage infrastructure projects (Sarah Baartman Centre of Remembrance and the Playhouse Company), indicating a shift from capital expenditure towards operational support for heritage entities.

Mid-year progress on non-financial performance

National Treasury, in the 2025 AENE, indicates that the Department exceeded its mid-year target for the number of sport and recreation programmes supported in communities, largely due to additional Ministerial outreach initiatives. National Treasury further notes that the Department remains on track to meet its annual targets for the percentage of compliant sport and recreation bodies supported, as well as the number of projects aimed at enabling local and international market access and supporting creative industries through an open call process, as most of these activities are scheduled for implementation in the latter part of the 2025/26 financial year. Similarly, the Department expects to achieve its targets for the number of students supported to study languages and the number of heritage bursaries awarded, as reports from universities are typically received during the second half of the financial year.³

3.4. Overview and assessment of the 2025/26 Third Quarter Expenditure budget allocation and expenditure

The expenditure information below has been extracted from the quarterly expenditure reports published by Parliament's Standing Committee on Appropriations (SCoA).⁴

³ National Treasury. (2025). *Adjusted Estimates of National Expenditure*, pp. 327-336. Pretoria, National Treasury.

⁴ Standing Committee on Appropriations. (2026). *2024/25 3rd Quarter Expenditure Report*

3.4.1. Expenditure per Programme

Table 6 below provides a summary of the 2025/26 appropriation for each programme, as well as actual and projected expenditure for the Third Quarter.

Table 6: Summary of the 2025/26 Budget and Third Quarter performance of the Department of Sport, Arts and Culture

2025/26 VOTE 37: SPORT, ARTS AND CULTURE							
R million	Adjusted budget	Q3 Available budget	Year-to-date			Q3	
			Actual expenditure	Variance (available budget less actual expenditure)	Actual expenditure as % of available budget	Projected expenditure	Actual expenditure as % of projected expenditure budget
Programme							
1. Administration	516,7	516,7	404,3	112,7	78.2%	389,8	103.7%
2. Recreation Development and Sport Promotion	1 267,2	1 207,1	837,5	369,6	69.4%	919,9	91.0%
3. Arts and Culture Promotion and Development	1 725,3	1 778,1	1 164,9	613,8	65.5%	1 090,1	106.9%
4. Heritage Promotion and Preservation	2 800,8	2 808,1	2 163,6	644,5	77.0%	2 160,8	100.1%
Total	6 309,9	6 309,9	4 570,3	1 739,6	72.4%	4 560,4	100.2%

Source: Standing Committee on Appropriations. (2026). *3rd Quarter Expenditure Report*. Cape Town, Parliament of the Republic of South Africa.

The SCoA Third Quarter expenditure report shows that the Department spent R4.57 billion against a projected R4.56 billion, resulting in a variance of R9.8 million (0.2 per cent) above projections. The higher-than-anticipated spending was driven primarily by Programme 1: Administration and Programme 3: Arts and Culture Promotion and Development.

3.4.1.1. Programme 1: Administration

Programme 1 spent R404.3 million, which was R14.5 million (3.7 per cent) higher than projected spending of R389.8 million. The higher than projected spending was driven mainly by Goods and services and Payments for Capital assets. The high spending is because of increased spending for the G20 Culture Working Group, travel and accommodation to attend the South African Sports Awards, and the payment of outstanding VodaCom invoices.

3.4.1.2. Programme 2: Recreation Development and Sport Promotion

Actual expenditure at the end of the Third Quarter was R837.5 million. This was R82.4 million (9 per cent) lower than projected spending of R919.9 million, primarily on Transfers and subsidies and Payments for capital assets. Reprioritisation requests and approvals were made midway through the Third Quarter. This resulted in transfers for Video Assistant Referee (VAR) contribution to the South African Football Association (SAFA), capital works, and the Sports Trust (combi-courts and outdoor gyms) shifted to the Fourth Quarter. Spending was further delayed by outstanding Summer School Sport travel invoices and the late finalisation of the University Sport South Africa (USSA) athlete support agreement in late December 2025. Conversely, Artscape infrastructure payments were R4.7 million higher than projected for this period. This was due to early project completion, which accelerated payment originally scheduled for the Fourth Quarter.

3.4.1.3. Programme 3: Arts and Culture Promotion and Development

At the end of the Third Quarter, this programme spent R1.16 billion, resulting in a variance of R74.9 million (6.9 per cent) higher than projected spending of R1.09 billion. This higher-than-projected spending was mainly due to higher expenditure on Goods and services and Transfers and subsidies. This was driven by invoices for the G20 Culture Working Group which were higher than anticipated as well as the expanded scope of the National Arts and Culture Awards (NACA). In addition, the second tranche payment to the NAC for PESP 6 was made in the Third Quarter as the adjudication process was completed ahead of schedule. The transfer to the Commonwealth Foundation was processed earlier than expected after the organisation submitted its invoice ahead of schedule.

3.4.1.4. Programme 4: Heritage Promotion and Preservation

At the end of the period, actual spending in Programme 4 was R2.16 billion. This was R2.8 million (0.1 per cent) higher than projected but remained largely on track. Increased costs were incurred for Travel and subsistence for officials related to the Robben Island Association for Ex-Political Prisoners Reunion; National Archives Advisory Council meetings; the Minister's Heritage Sector Bosberaad; the 2025 Archives Awareness Week; and the South African Geographical Names Council (SAGNC) capacity-building workshop and council meetings.

Higher spending resulted from catering for hosting the Preservation conference linked to World Digital Preservation Day conference and the procurement of national flags for schools and

Government institutions, following a request from CoGTA. Two transfers were processed earlier than anticipated: the Engelenburg House Art Collection (following the expedited finalisation of the MoA) and the International Centre for the Study of the Preservation and Restoration of Cultural Property (due to early invoicing).

3.4.2. Performance per Economic Classification

The summary of financial performance per economic classification is outlined in Table 7 below.

Table 7: Summary of the 2025/26 budget and Third Quarter financial performance of the Department of Sport, Arts and Culture per economic classification

2025/26 VOTE 37: SPORT, ARTS AND CULTURE						
R million	Available budget	Year-to-date			Q3	
		Q3 Actual Expenditure	Variance (available budget less actual expenditure)	Actual expenditure as % of available budget	Q3 Projected Expenditure	Actual expenditure as % of projected expenditure budget
Economic Classification						
Current Payments	1 095,1	804,5	290,6	73.5%	785,6	102.4%
Compensation of employees	434,4	306,7	127,7	70.6%	307,9	99.6%
Goods and services	660,8	497,7	163,1	75.3%	477,7	104.2%
Interest and rent on land	0,0	0,0	0,0	0.0%	0,0	0.0%
Transfers & subsidies	5 180,7	3 752,8	1 427,9	72.4%	3 724,4	100.8%
Payments for capital assets	34,1	13,0	21,1	38.2%	50,4	25.9%
Payments for financial assets	0,0	0,0	0,0	0.0%	0,0	0.0%
Total	6 309,9	4 570,3	1 739,6	72.4%	4 560,4	100.2%

Source: Standing Committee on Appropriations. (2026). *3rd Quarter Expenditure Report*. Cape Town, Parliament of the Republic of South Africa.

Current Payments

Current payments exceeded projection expenditure of R785.6 million by R18.8 million (2.4 per cent), totaling R804.5 million.

By the end of the 2025/26 Third Quarter, the Department spent R306.7 million (70.6 per cent) of the available Compensation of employees budget of R434.4 million. This is R1.2 million (0.4 per cent) lower than projected quarterly expenditure of R307.9 million.

Expenditure on Goods and services is R497.7 million (75.3 per cent) of the available budget of R660.8 million. The Department spent 104.2 per cent of the projected expenditure of R477.7 million. Expenditure in the Third Quarter is therefore R20.0 million (4.2 per cent) higher than projected.

Transfers and subsidies

By the end of the Third Quarter, expenditure in this economic classification was R3.75 billion and in line with projected expenditure of R3.72 billion. Expenditure for the period was R28.4 million (0.8 per cent) higher than anticipated.

Payments for Capital assets

This classification area showed significant underspending, with only R13.0 million (25.9 per cent) spent against a projected R50.4 million. Expenditure was thus R37.4 million (74.1 per cent) lower than anticipated.

3.5. Overview and assessment of the 2025/26 Third Quarter Expenditure non-financial performance

Fourteen (14) output indicators were planned for reporting for the Third Quarter. As at the 31 December 2025, eleven (11) out of the eleven planned output indicators (79 per cent) were achieved and three (11 per cent) were not achieved. The targets that were not achieved are in Programme 2 and details relating to their non-achievement are outlined in the narrative below.

3.5.1. Programme 1: Administration (1/1)

Targets achieved:

At the end of the Third Quarter the Department achieved the single target (100 per cent) planned for the period, namely 100 per cent of valid invoices within 30 days. Although reporting on the system to be developed during the 2025/26 financial year to automate manual functions is only due in the Fourth Quarter, no further progress was made beyond that reported in the Second Quarter. Consequently, by the end of the Third Quarter, development remained limited to the three modules completed during the Second Quarter, namely Schools Development; Athlete Coaching and Technical Official Support; and Club Development.

Targets not achieved:

None.

3.5.2. Programme 2: Recreation Development and Sport Promotion (1/4)

This programme achieved one of the four planned targets for the Third Quarter (25 per cent).

Targets achieved:

The single target achieved saw the Department supporting 52 municipalities during the planning and implementation of sport infrastructure projects to ensure compliance with the applicable Norms and Standards.

Targets not achieved:

The Department provided equipment and/or attire to 1 103 hubs, clubs or schools to enable participation in sport and/or recreation. The Third Quarter target of 1 250 was thus not achieved. The late delivery of equipment and attire by the service provider in early December 2025 limited the Department's ability to distribute items to all schools before year-end. The remaining equipment will be delivered in the Fourth Quarter once schools reopen. Provinces will also conduct plenary and needs-analysis engagement sessions with hubs, clubs, and schools, which will be finalised during the Fourth Quarter.

While the Department planned to ensure 1 500 learners competed at the National School Sport Championship, only 999 learners participated. Only five (5) sporting codes were implemented during the period under review, resulting in lower championship and participant numbers than those committed to in the MTDP. This was largely due to financial constraints affecting provincial participation and the limited implementation of district and provincial championships. A three-year planning approach has been adopted to realign targets and improve reporting accuracy.

The Department failed to meet the planned target of supporting 52 school sport programmes at a district and/or local level during the Third Quarter, with 45 programmes supported by the end of the reporting period. Performance was affected by examination schedules, provincial funding constraints, limited code participation, and in the case of the Northern Cape, insufficient budget. The Department indicated that there is a need to expand participation through programmes implemented by sport federations to address limited participation linked to education-sector constraints. The Department further proposed a reduction in targets as a corrective action.

3.5.3. Programme 3: Arts and Culture Development and Promotion (6/6)

Targets achieved:

Some of the key achievements in Programme 3 during the Third Quarter include an additional 13 university students supported to study languages against a planned target of 140 students.

Due to the revised MGE Open Call process there was an over subscription of projects resulting in ten (10) cultural and creative industry projects supported to enable local and international market access. The planned target for the Third Quarter was eight (8) projects supported.

Two (2) initiatives against Gender-Based Violence and Femicide (GBVF) were supported as planned and the Department further implemented two (2) initiatives promoting social cohesion and nation-building.

Target not achieved:

None.

3.5.4. Programme 4: Heritage Promotion and Preservation (3/3)

Targets achieved:

This programme continued to implement initiatives aimed at raising awareness of national symbols through public activations and the provision of flags, achieving its planned target of 57 initiatives during the period under review. The Department exceeded its planned target of digitising 100 archival records, with 129 records digitised because of the involvement of youth appointed through the PESP. Overachievement against this performance indicator was also recorded in the Second Quarter. As planned, the Department published one gazette notice on standardised geographical names by the end of the Third Quarter.

Target not achieved:

None.

4. SUMMARY

The Portfolio Committee on Sport, Arts and Culture, having extensively reviewed the financial and non-financial performance of the Department for the Second and Third Quarters of the 2025/26 financial year, remains committed to ensuring that public funds translate into tangible

service delivery. While the Department has demonstrated the ability to achieve a high percentage of its performance targets, the persistent challenges regarding infrastructure delays, most notably the Sarah Baartman Centre of Remembrance, and the uncertainty of the impact of some projects being implemented require urgent and sustained intervention. This will ensure that delays do not continue to impede the delivery of critical programmes.

The recommendations contained in this report are intended to strengthen the Department's internal controls and enhance the governance of its entities and federations. The Committee expects comprehensive responses to these matters by the end of July 2026, as part of its ongoing mandate to foster a transformed, professional, and accountable Sport, Recreation, Arts, Culture and Heritage sector.

5. RECOMMENDATIONS

The Committee having considered the 2025/26 Second and Third Quarter expenditure and non-financial performance reports of the Department of Sport, Arts and Culture, makes the following recommendations which the Department should report on by the end of July 2026:

5.1. *Budget implementation and financial management*

5.1.1. Based on the financial performance for the two quarters under review, the Department should continue to improve alignment between budget projections and actual expenditure to minimise underspending.

5.2. *Programme delivery*

5.2.1. The Committee reiterated its concern regarding the prolonged delays in the completion of the Sarah Baartman Centre of Remembrance (SBCR). As the custodian of the project, the Department was again urged to work closely with the Department of Public Works and Infrastructure (DPWI), strengthen its oversight and prioritise the completion of the SBCR without any further delays.

5.2.2. The Department should continue to work closely with the Department of Basic Education and all provinces to ensure consistent delivery of school sport programmes.

5.2.3. The Department was urged to submit all reports and related costs arising from international trips undertaken by the Minister and Deputy Minister since the

commencement of the 7th Administration, to enable the Committee to assess the alignment between programmes implemented and agreements concluded.

5.3. Oversight and accountability

- 5.3.1.** Drawing on the Committee's engagement with Karate South Africa on 17 March 2026, the Department should strengthen oversight and undertake more rigorous scrutiny of federations and entities, as apparent compliance may mask underlying governance challenges that could undermine service delivery.
- 5.3.2.** The Department the South African Sports Confederation and Olympic Committee (SASCOC) should provide progress reports on the implementation of the roadmap to ensure that Basketball South Africa, currently a derecognised national sporting federation, is reinstated in the interests of athletes.
- 5.3.3.** The Department should provide a detailed progress report on all investigation reports which are at various stages of completion, including, but not limited to, those relating to the South African Institute for Drug-Free Sports (SAIDS); Boxing South Africa (BSA); and the Cultural and Creative Industries Federation of South Africa (CCIFSA).
- 5.3.4.** The Department and SASCOC should provide regular updates on the country's bid to host the 2036 Olympic Games. However, the Committee expressed concerns about the operational challenges within SASCOC and federations, including Athletics South Africa (ASA).
- 5.3.5.** The Department should provide a comprehensive report on the composition, performance, impact, challenges and budget expenditure of the seventeen Cultural and Creative Industry Clusters established to drive economic growth and sector development. The report should also include the names, roles and responsibilities of the Department's officials managing each of the sector clusters as well as an overview of the compliance guideline /policy document disseminated to their boards and mechanisms in place to regulate the clusters.

Report to be considered.

LIST OF ABBREVIATIONS

Abbreviation	Definition
AENE	Adjusted Estimates of National Expenditure
AGSA	Auditor-General of South Africa
ASA	Athletics South Africa
APP	Annual Performance Plan
AWHF	African World Heritage Fund
BRRR	Budgetary Review and Recommendations Report
BSA	Boxing South Africa
CoGTA	Department of Cooperative Governance and Traditional Affairs
DPWI	Department of Public Works and Infrastructure
DSAC	Department of Sport, Arts and Culture
GBVF	Gender-Based Violence and Femicide
GNU	Government of National Unity
HEI	Higher Education Institution
HVAC	Heating, Ventilation and Air Conditioning
MGE	Mzansi Golden Economy
MoA	Memorandum of Agreement
MTBPS	Medium-Term Budget Policy Statement
MTDP	Medium-Term Development Plan
MRM	Moral Regeneration Movement
NA	National Assembly
NAC	National Arts Council
NACA	National Arts and Culture Awards
NFVF	National Film and Video Foundation
NPI	Non-Profit Institution
PanSALB	Pan South African Language Board
PESP	Presidential Employment Stimulus Programme
PFMA	Public Finance Management Act
RIM	Robben Island Museum
SAFA	South African Football Association
SAGNC	South African Geographical Names Council
SAIDS	South African Institute for Drug-Free Sports
SRACH	Sport, Recreation, Arts, Culture, and Heritage
SASCOC	South African Sports Confederation and Olympic Committee
SBCR	Sarah Baartman Centre of Remembrance
SCoA	Standing Committee on Appropriations
UNESCO	United Nations Educational, Scientific and Cultural Organization
USSA	University Sport South Africa
VAR	Video Assistant Referee

2. REPORT OF THE PORTFOLIO COMMITTEE ON PLANNING, MONITORING AND EVALUATION; ANNUAL PERFORMANCE PLAN AND BUDGET 2026/27 FOR BUDGET VOTE 9: DEPARTMENT OF PLANNING, MONITORING AND EVALUATION, DATED 06 MAY 2026

1. INTRODUCTION

On 12 February 2026, the President delivered the State of the Nation Address to the nation. SONA outlines the government's priorities for the year. The budget allocation of such priorities followed this important event. On 25 February 2026, the Minister of Finance tabled the 2026/27 budget to the National Assembly to fund the government's key priorities. The budget reflects the choices made by the government during the State of the Nation Address and serves as a tool to achieve socio-economic development goals.

The State of the Nation Address 2026, delivered by President Cyril Ramaphosa, sets a clear strategic direction for the current administration: a transition from stabilisation to accelerated implementation. While foundational reforms have been initiated and institutional recovery efforts are underway, the central imperative of the 7th Administration is to convert this reform trajectory into tangible, measurable socio-economic outcomes that improve citizens' lived realities.

In this context, the Department of Planning, Monitoring and Evaluation (DPME) is a critical enabler of delivery. Its mandate extends beyond coordinating integrated planning processes to embedding a results-driven governance framework. This includes strengthening performance monitoring systems, advancing evidence-based evaluation, and ensuring coherent alignment of national priorities across all spheres of government. Through this integrated approach, the DPME is expected to drive accountability, enhance policy coherence, and support the effective translation of strategic intent into developmental impact.

This year's APP reflects DPME's sharpened focus on five outcome areas that are crucial to reshaping the state's effectiveness:

- Improved governance and institutional capacity within DPME.

- Improved government-wide planning and alignment to national priorities.
- Continuous assessments in the implementation of the MTDP and NDP targets.
- Strengthened evidence systems for decision-making.
- Enhanced stakeholder engagement across sectors.

These outcomes are underpinned by the department's robust outputs, including comprehensive monitoring reports, strengthened performance indicators, improved digital reporting, and targeted planning assessments. Through these mechanisms, DPME aim to reinforce the link between planning, budgeting, implementation, and accountability across all spheres of government.

The primary objective of performance budgeting is to enhance the quality of public services by more effectively allocating resources in line with socio-economic goals, improving efficiency, economy, and effectiveness in their use, and increasing accountability. This can be put more simply as an increasing focus on what the public sector accomplishes with the resources provided, rather than on how much money is being spent. The primary purpose of the budget analysis is to determine whether the allocated budget aligns with the government's policy priorities.

Budget analysis is conducted to enforce fiscal discipline and allocative and operational efficiency. It also helps improve understanding of the extent to which funds are allocated across programmes and economic classifications, highlights budgetary inefficiencies, and exposes areas where budgets are not aligned with policy and priorities.

This analysis of Budget Vote 09 of the Department of Planning, Monitoring and Evaluation aims to determine how much budget was allocated and how programmes are funded to achieve the department's priorities. In analysing the budget, it is critically important to ensure that the budget allocated is aligned with the policy imperatives contained in the National Development Plan (NDP), the Medium-Term Development Framework (MTDP) and the 2026 State of the Nation Address (SONA).

2. LEGISLATIVE MANDATE

The constitutional mandate of the Department of Planning, Monitoring and Evaluation is derived from Section 85(2) (b-c) of the Constitution of the Republic of South Africa, which states that the President exercises executive authority, together with other members of Cabinet, by developing and implementing national policy and coordinating the functions of the state departments and administration.

The Department has no specific legislation governing its mandate. The following pieces of legislation guide the work of the Department:

2.1 The Constitution of the Republic of South Africa, 1996

The Constitution envisions South Africa as a unitary state comprising national, provincial, and local spheres of government. Section 42 of the constitution provides that each sphere shall perform its functions in a manner “*that does not encroach on the geographic, functional or institutional integrity of government in another sphere*”. In addition, the constitution enjoins the three spheres to work together in “*mutual trust and good faith*”.

Section 42 (2) of the Constitution also provides for the enactment of legislation to promote and facilitate intergovernmental relations. To this end, the Intergovernmental Framework Act (Act 13 of 2005) was passed. The Intergovernmental Relations Framework Act was intended to, amongst other things:

- establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations;
- provide mechanisms and procedures to facilitate the settlement of intergovernmental disputes and
- provide for matters connected therewith.

Section 85(2) of the Constitution of the Republic of South Africa empowers the President to exercise executive authority, together with other members of Cabinet, by:

- Implementing national legislation;

- Developing and implementing national policy;
- Coordinating the functions of state departments and administrations;
- Preparing and initiating legislation; and
- Performing any other executive function provided for in the Constitution or national legislation.”

Section 195 of the Constitution sets out the values of the principles of the public administration, amongst others: Efficient, economical and effective use of resources must be promoted; Public administration must be development-oriented; Public administration must be accountable; and Transparency must be fostered by providing the public with timely, accessible and accurate information.

2.2 Presidential Proclamation No. 47 of 2014

Section 3.3 of the proclamation establishes and entrusts the functions of Planning, Monitoring and Evaluation to the Minister in the Presidency, in terms of Section 97 of the Constitution, through Proclamation 47, July 2014.

The Presidency has a critical role to play in coordinating, overseeing, and supervising all spheres of government, and in supporting the President, Deputy President, Ministers, and Deputy Ministers in the Presidency in their primary duty to uphold, defend, and respect the Constitution of the Republic.

The social compact is critical in re-establishing trust with citizens. People want a government that is responsive, honest, ethical and developmental. The Centre of government is essential to supporting the President's work.

2.3 Public Finance Management Act, No. 1 of 1999.

Section 27(4) of the PFMA provides the basis for developing measurable objectives that must be included in the annual budgets of national and provincial institutions. Sections 40 (3) and

55 (2) provide the basis for reporting performance against predetermined objectives in institutions' Annual Reports.

The abovementioned roles are inherent to the Centre of Government. The Organisation for Economic Cooperation and Development (OECD) define the Centre of government as “the administrative structure that serves the executive (president or prime minister, and the cabinet collectively)”. A survey of OECD member countries found that the top four priority tasks of the strategic centre of government across jurisdictions are:

- Supporting decision-making by the Head of government and the cabinet, which involves administrative tasks related to cabinet meetings, as well as the provision of policy advice.
- Policy coordination across government, which increasingly involves leading cross-cutting policy priorities or initiatives.
- Strategic planning for the whole of government.
- Communicating government messages to the public and across the administration.
- Monitoring functions in the government.

DPME developed the Policy Framework on Integrated Planning to address key challenges in the planning system and improve harmonisation and alignment across it. The cabinet approved the Policy Framework in September 2022 and also served as a basis for revising the Development Planning Framework Bill.

The following policies are still relevant:

2.4 Green Paper on National Strategic Planning (2009) and its Revision in 2010

The National Strategic Planning 2009 outlines the need for long-term planning and coordination amongst spheres of government to ensure coherence in policy-making and implementation.

2.5 Green Paper on Improving Government Performance: Our Approach (2009)

The Green Paper emphasises the need to improve government performance by introducing a Result-Based Approach to planning, monitoring, and Evaluation of Government Programmes.

2.6 Policy Framework for the Government-wide Monitoring and Evaluation Systems 2007

The GWMES, which applies to all entities in the national, provincial and local spheres of government, is the overarching policy framework for monitoring and evaluation in the South African Government. It sets out the policy context for supporting frameworks, such as the National Treasury's Framework for Managing Programme Performance information and Statistics South Africa's South African Statistics Quality Assurance Framework.

2.7 Policy Framework on Integrated Planning, 2022

DPME developed the Policy Framework on Integrated Planning to address key challenges in the planning system and to improve harmonisation and alignment across it. The cabinet approved the Policy Framework in September 2022 and also served as a basis for revising the Development Planning Framework Bill.

2.8 Intergovernmental Relations Framework Regulations, 10 May 2024

The following policies are still relevant:

- 2019-2024 Revised Medium-Term Strategic Framework (MTSF)
- Revised Framework for Strategic Plans and Annual Performance Plans
- Budget Prioritisation Framework
- National Spatial Development Framework (NSDF)

2.9 National Evaluation Policy Framework (NEPF)

The NEPF was first approved by the Cabinet in 2011 and then updated in 2019 to set standards for evaluation across government institutions and applicable to all three spheres of government and other government components listed in the Public Service Act (PSA) (1994) and Chapter 9 of the Constitution.

3. MANDATE

The Department of Planning, Monitoring and Evaluation is mandated to:

- support the National Planning Commission.
- facilitate the implementation of policies, legislation and regulations related to the National Development Plan (NDP) to optimise the national planning system, coordinate national medium-term plans and delivery agreements, and monitor and evaluate their implementation.
- ensure the alignment of departmental strategic and annual plans with budget allocations and the government's 2024-2029 Medium Term Development Plan (MTDP).
- monitor the performance of individual national and provincial government departments and municipalities and facilitate targeted intervention programmes.
- monitor frontline service delivery, manage the presidential hotline, develop and implement the annual national evaluation plan, and support the national evaluation system.
- promote good planning, monitoring and evaluation practices in government.

4. FINANCIAL AND BUDGET ANALYSIS (2026/27 ENE)

Table 1: Department of Planning, Monitoring and Evaluation (Vote 9) Budget

Summary:¹

		2026/27	2027/28	2028/29
R million		Total	Total	Total
MTEF Allocation				
Programme 1	Administration	246.9	251.8	259.7
Programme 2	National Planning Coordination	82.3	85.9	88.6
Programme 3	Sector Monitoring Services	73.2	76.4	78.8
Programme 4	Public Sector Monitoring and Capacity Development	88.6	92.5	95.4
Programme 5	Evidence and Knowledge Systems	42.0	43.9	45.2
Total expenditure estimates		533.0	550.6	567.7

4.1 Overall Budget Envelope and Fiscal Context

For the 2026/27 financial year, the DPME is allocated a total of R533.0 million, increasing to R550.6 million in 2027/28 and R567.7 million in 2028/29 over the MTEF period. While these figures reflect nominal growth, the Committee should note that real growth remains limited after accounting for inflation and salary adjustments. Moreover, the budget trajectory is shaped by continued fiscal consolidation, consistent with the national expenditure ceiling. The Department is expected to deliver an expanding coordination, monitoring, and evaluation

¹ National Treasury. Estimates of National Expenditures 2026.

mandate without commensurate expansion of real resources, increasing the risk of over-extension and diluted impact.

4.2 Programme Allocation Trends and Strategic Signals

The distribution of resources across programmes in 2026/27 is as follows:

Table 2: Financial distribution across programmes 2025 versus 2026:²

Programme	2025 AENE³	2026 ENE
Administration	233.0	246.9
National Planning Coordination	72.3	82.3
Sector Monitoring Services	88.2	73.2
Public Sector Monitoring & Capacity Development	78.2	88.6
Evidence and Knowledge Systems	42.1	42.0
Total	514.0	533.0

- Programme 1: Administration – R246.9 million (46% of the Vote)
- Programme 2: National Planning Coordination – R82.3 million (15% of the Vote)
- Programme 3: Sector Monitoring Services – R73.2 million (14% of the Vote)
- Programme 4: Public Sector Monitoring and Capacity Development – R88.6 million (17% of the Vote)
- Programme 5: Evidence and Knowledge Systems – R42.0 million (8% of the Vote)

² National Treasury. Estimates of National Expenditures 2025 & 2026.

³ National Treasury. Adjustments Estimates of National Expenditures (AENE) 2025.

4.3 Expenditure Overview

The department's main focus continues to be on coordinating and strengthening the national planning system across government, primarily through monitoring the implementation of the NDP's Vision 2030 and tracking progress on the MTDP. Over the medium term, it will also focus on implementing reforms for state-owned enterprises through the establishment of a state-owned holding company; monitoring the implementation and achievement of government programmes and priorities; and conducting research, evaluation and data-driven analysis to support evidence-based planning and interventions. The department has a budget of R1.7 billion over the medium term, with expenditure set to increase at an average annual rate of 3.4 per cent, from R514.1 million in 2025/26 to R567.7 million in 2028/29. As the department relies on human resources to fulfil its mandate, an estimated 73.5 per cent (R1.2 billion) is set aside for compensation of employees.

Nearly half of the Vote is concentrated in Programme 1, reflecting the Department's administrative, governance, and enabling nature. While this is partly unavoidable for a centre-of-government function, it limits the proportion of funding that directly supports analytical, evaluative, and monitoring outputs on which Parliament relies for oversight. Real growth is marginally stronger in Programmes 2, 4, and 5 over the MTEF, signalling prioritisation of MTDP coordination, public sector monitoring, and evidence systems, but these increases remain incremental rather than transformative. A key question for Parliament is whether current programme allocations are sufficient to shift the system from compliance-oriented monitoring towards outcome-driven performance correction.

5. Programme-Analysis⁴

5.1 Programme 1: Administration

Programme 1 provides strategic leadership, governance, corporate services, and oversight of State-Owned Entity (SOE) reform. It remains the backbone of departmental governance, legal reform processes (including PM&E legislation), and institutional oversight.

It should be noted that clear governance targets are linked to audit outcomes, compliance, vacancy management (maintaining a vacancy rate of 10 per cent or less), and invoice payment timelines (paying all valid invoices within 30 days). The programme also leads the development of a White Paper and legislation on Planning, Monitoring and Evaluation, as well

⁴ DPME. 2026. Annual Performance Plan 2026/27 .

as the implementation of SOE governance reforms. Furthermore, although it is not an APP target, it should be noted that in the Medium-Term Budget Policy Statement (MTBPS), the Government undertook to prioritise the enactment of the State-owned Enterprises Bill and engage in processes to establish a centralised State-owned holding company over the medium term under Programme 1, at a cost of approximately R36 million.

A significant oversight risk is that legislative and policy development activities are inherently vulnerable to delays beyond departmental control. Parliament should monitor whether delays in these reforms begin to crowd out attention from core coordination and monitoring functions.

5.2 Programme 2: Planning Coordination

Programme 2 operationalises long- and medium-term planning across government, including monitoring the alignment of departmental strategic plans and APPs with the MTDP, and guiding planning through the institutionalisation of the NDP and MTDP. Planned outputs include annual NDP monitoring reports, synthesis research reports, and assessments of national and provincial plans. The continued centrality of the National Planning Commission (NPC) within this programme, and its heavy reliance on skilled analytical capacity, should be noted.

The programme carries a high coordination burden across national and provincial departments, yet operates within a relatively inflexible budget structure. Parliament may wish to interrogate whether expectations around planning alignment are commensurate with available capacity and funding.

5.3 Programme 3: Sector Monitoring Services

Programme 3 plays a critical role in monitoring outcome-level performance across priority sectors through bi-annual monitoring reports, Cabinet briefing notes, and thematic monitoring of areas such as infrastructure, climate change, rural development, and industrialisation. It is central to the early identification of systemic bottlenecks, with outputs intended to inform corrective interventions at the Cabinet level. Accordingly, the government has committed approximately R195 million over the medium term to monitor the performance of national and provincial departments, as well as municipalities, to facilitate targeted interventions.

The outputs are largely analytical and advisory, raising questions of influence rather than authority. Parliament has limited visibility on whether the Cabinet and line departments act on sector monitoring findings. The Committee may consider requesting follow-up reporting on the implementation of corrective actions arising from these reports.

5.4 Programme 4: Public Sector Monitoring and Capacity Development

Programme 4 interfaces most directly with citizen experience through frontline monitoring, the Presidential Hotline, citizen-based monitoring reports, and planning, monitoring and evaluation capacity development. It strengthens downward accountability and supports departments in improving their internal performance management systems. The government has committed R186.8 million over the medium term under this Programme to improve the quality of service delivery by monitoring frontline services and resolving citizens' complaints through the presidential hotline. A further R76.6 million was also committed over the same period to monitor and strengthen capabilities and governance across the public sector, as part of the professionalisation of the public service. A risk for Committee scrutiny is that monitoring findings related to frontline performance are not systematically escalated into enforceable accountability mechanisms. Oversight should focus on whether poor performance identified through this programme leads to measurable corrective action.

5.5 Programme 5: Evaluation, Evidence and Knowledge Systems

Programme 5 coordinates the national evaluation system and evidence-based decision-making. Planned outputs include evidence plans, evaluation and research reports, Development Indicators reports, and technical support to departments on the use of evaluative evidence. The government has committed about R7.7 million over the medium term under this programme to track progress on Vision 2030 targets through technical support and the deployment of the MTDP integrated reporting system.

This programme responds directly to longstanding parliamentary and Auditor-General concerns regarding weak use of evidence in policymaking and is essential for strengthening

value-for-money oversight. Despite credible outputs, evaluative findings often struggle to influence budget reprioritisation. The Committee might wish to track whether evaluation results are explicitly referenced in Cabinet memorandums and Budget documentation.

6. Economic Classification: Structural Rigidity of Expenditure⁵

Compensation of Employees remains the dominant cost driver, amounting to R388.8 million in 2026/27, increasing to R419.0 million by 2028/29. This represents approximately 73–74 per cent of the total Vote over the MTEF period, with approximately 94 per cent of the personnel budget committed to filled posts, limiting scope for new recruitment. High personnel intensity reduces the flexibility to fund new reforms, digital tools, or analytical capacity, and, over time, may constrain the Department's ability to modernise planning, monitoring and evaluation systems across government.

Goods and Services expenditure is projected at R135.7 million in 2026/27, declining slightly in proportion to total expenditure over the MTEF. A significant share is pre-committed to multi-year contracts, covering computer services and ICT licences, consultants, and travel linked to intergovernmental coordination. While overall Goods and Services funding appears stable, reductions in real terms may affect the rollout of new digital planning, monitoring and evaluation platforms envisaged in the APP, potentially leaving digital and data-driven reform ambitions to outpace the available discretionary operational budget.

Capital expenditure remains minimal, at R2.8 million in 2026/27, rising marginally to R3.1 million by 2028/29. This very low capital baseline raises questions about the sustainability of digital transformation commitments, particularly given government-wide ambitions for integrated planning, reporting, and data governance. Transfers and subsidies increase sharply from less than a million rand to R5.6 million in 2026/27, largely attributable to early retirement and voluntary exit programmes, before dropping to zero in the outer years. The Department has very limited financial leverage to incentivise compliance or reform in other departments, relying instead on coordination, persuasion, and Cabinet authority.

⁵ National Treasury. Estimates of National Expenditures 2026.

7. Budget Credibility and Key Financial Risks

The APP's performance indicators are generally costed within the available envelope, and there is no evidence of unfunded mandates. However, several targets rely heavily on interdepartmental cooperation beyond the DPME's direct control, and the tight budget envelope heightens the risk that performance reporting remains process-focused rather than outcome-oriented.

The following risks have been noted that could impact the finances and programmes of the DPME during the 2026/27 cycle:

- Erosion of analytical capacity if real Goods and Services funding declines;
- Digital reform underfunding given insufficient capital allocations relative to stated ambitions; cost rigidities from high personnel costs that reduce agility; and
- An expanding mandate without fiscal expansion that may weaken delivery credibility.

8. CONCLUSION

The DPME's Annual Performance Plan for 2026/27 describes a department that is strategically coherent and deeply aware of its central role in improving the State's capability. It is demonstrably aligned with the NDP's vision of a capable state and the MTDP's emphasis on improved planning, monitoring, and evidence-based decision-making. As the architect and custodian of the government-wide planning, monitoring, and evaluation system, the Department's focus on reforms, including geospatial planning, integrated digital reporting, and strengthening the use of evaluative evidence, is both appropriate and necessary. The internal consistency between the APP and the ENE is sound, with no evidence of unfunded mandates, and the performance indicators are generally well specified and adhere to the SMART principles endorsed by the National Treasury.

However, a gap exists between the DPME's strategic ambition and the fiscal reality of its resource envelope. The Department is expected to deliver an expanding and reform-intensive mandate within a budget characterised by incremental nominal growth that barely, if at all, outpaces inflation. The analysis reveals a structurally rigid expenditure pattern dominated by Compensation of Employees, which consumes nearly three-quarters of the Vote and leaves

minimal discretionary fiscal space for innovation, digital transformation, or the deployment of new analytical capacity. The glaringly low capital budget over the medium term raises profound questions about the sustainability of the Department's digital reform ambitions, particularly the government-wide platforms it is mandated to develop. The DPME is thus inconsistently positioned as the agent of systemic change with a budget structured to maintain the operational status quo.

This fiscal constraint adds to a deeper, systemic oversight risk: that performance reporting becomes a compliance-driven exercise rather than a catalyst for tangible behavioural change across government. The DPME's true impact is not measured by the number of reports it produces, but by the corrective action those reports provoke in sector departments and at the Cabinet level. The persistent challenge is the weak translation of monitoring and evaluation findings into budget reprioritisation and policy reform. The Department's tools are those of influence, coordination, and persuasion, not financial leverage or direct enforcement authority.

The DPME's plan is credible on paper, but its successful execution and ultimate impact on State performance are contingent on navigating a high-risk environment defined by rigid costs, real-term resource constraints, and an over-reliance on interdepartmental cooperation it cannot compel. The Department's mandate is expanding faster than its resource base, and without careful prioritisation, there is a material risk of diminished credibility and diluted impact.

The primary task of the Portfolio Committee, therefore, is to sustain persistent oversight that shifts focus from the production of plans and reports to an uncompromising interrogation of their results. The questions that must guide the Committee's engagement during the 2026/27 cycle are: 1) Are the DPME's products actively and demonstrably shaping better policy, smarter budgets, and measurable corrective action, or 2) is the centre of government merely generating more sophisticated reports about a system whose performance remains unchanged? The answers will determine not only the DPME's effectiveness but also the very credibility of the State's commitment to developmental outcomes.

9. KEY ISSUES FOR CONSIDERATION BY PARLIAMENT

The following are some of the implications for Parliament arising from the 2026/27 Budget with regard to the Department of Planning, Monitoring and Evaluation:

- 9.1 Parliament stresses the critical importance of the effective monitoring and evaluation of spheres of governments' implementation of the Medium-Term Development Plan (MTDP) and the impact on service delivery to communities, the achievement of national development objectives, future policy development, and timeous implementation of any corrective measures required to ensure stable implementation. Therefore, it urges the department to ensure that MTDP is institutionalised across the spheres of government.
- 9.2 Parliament must closely monitor the SOEs' performance by ensuring that it holds the department accountable through its use of the assessment tools. It will be critical to ensure that these SOEs are strengthened in their financial, operational, and governance capacities. In this regard, the National State Enterprises Bill before Parliament will provide the department with an opportunity to expand its mandate to monitor all SOEs.
- 9.3 Parliament requests the department to provide clarity and confirmation that there are quantifiable improvements in service delivery and that citizens' quality of life could be directly attributed to DPME's monitoring and evaluation efforts.
- 9.4 Parliament raised concern over the cost of employment and the limited budget available to DPME. It questioned spending a budget on private consultants. The Department should provide a detailed report on the number of consultants contracted, the functions they perform, and the proportion of the budget (percentage and actual spending) allocated to this item.
- 9.5 Parliament notes that the Department is developing a White Paper on Monitoring and Evaluation, and the development of legislation that provides for the powers and functions of the DPME. In this context, Parliament questioned the usefulness of reviewing its organisational structure whilst policies and legislation were still under development, and which could impact how the Department structures and organisational realignment efforts. The Department needs to provide clarity in this regard.

End Notes

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Report to be considered.

3. REPORT OF THE PORTFOLIO COMMITTEE ON PLANNING, MONITORING AND EVALUATION ON ANNUAL PERFORMANCE PLANS AND BUDGET 2026/27 FOR BUDGET VOTE 14: STATISTICS SOUTH AFRICA, DATED 06 MAY 2026

1. INTRODUCTION

On 12 February 2026, the President delivered the State of the Nation Address to the nation. SONA outlines the government's priorities for the year. The budget allocation of such priorities followed this important event. On 25 February 2026, the Minister of Finance tabled the 2026/27 budget to the National Assembly to fund the government's key priorities. The budget reflects the choices made by the government during the State of the Nation Address and serves as a tool to achieve socio-economic development goals.

Through the budget, the government sets priorities and indicates how the funding will be spent (expenditure) from the income it has collected through its revenue. The budget serves as a tool to operationalise the government's key activities towards achieving its priorities. Budget analysis is an instrument used to determine whether allocated budgets align with the government's key priorities, as encapsulated in the Medium-Term Development Plan 2025-2030 and the State of the Nation Address 2026.

The primary objective of performance budgeting is to enhance the quality of public services by more effectively allocating resources in line with socio-economic goals, improving the efficiency, economy, and effectiveness of their use, and increasing accountability. This can be put more simply as an increasing focus on what the public sector accomplishes with the resources provided, rather than on how much money is being spent. The primary purpose of the budget analysis is to determine whether the allocated budget aligns with the government's policy priorities.

Budget analysis is conducted to enforce fiscal discipline and allocative and operational efficiency. It also helps improve understanding of the extent to which funds are allocated across programmes and economic classifications, highlights budgetary inefficiencies, and exposes areas where budgets are not aligned with policy and priorities.

This paper analyses Budget Vote 14 of Statistics South Africa to determine how the budget was allocated and how programmes are funded to fulfil Stats SA's mandate. In analysing the budget, it is critically important to ensure that the budget allocated is aligned with the policy imperatives, thereby assisting the country in producing credible, reliable, and quality statistics.

2. STRATEGIC OVERVIEW OF THE DEPARTMENT 2026

The 2026/2027 financial year marks the second year of implementing the organisation's strategy. During this period, Stats SA will prioritise the following strategic focus areas:

- Implementation of the Statistics Amendment Act, 2024
- Sustaining the quality of national indicators
- Modernising and innovating survey operations, including CPS and CAWIS
- Driving a transformation and organisational change agenda
- Investing in skills required for the future

These strategic focus areas are intended to strengthen the organisation's ability to produce credible, relevant, and timely official statistics. They also aim to position Stats SA to respond more effectively to the growing demand for data, enhance operational efficiency through modernised data systems, and ensure that the institution has the skills and capabilities required to support a rapidly evolving data environment. Together, these priorities will guide the organisation in improving the quality, accessibility, and impact of official statistics in support of evidence-based decision-making and national development.

3. BUDGET ANALYSIS

3.1 Budget overview by economic classification

Of the total budget of R2,9 billion allocated for the 2026/27 financial year, approximately R2,6 billion (86,9 per cent) is allocated to the operational budget of Stats SA (compensation of employees and goods and services). Payment for capital assets received R365.5 million (12,3 per cent) for buildings and other fixed assets, as well as machinery and equipment. Less than 1 per cent is allocated to household transfers and subsidies. This indicates the labour-intensive nature of Stats SA; hence, the ongoing challenge of unfilled positions requires urgent attention.

Compensation of Employees: Of the operational budget, a significant proportion is allocated for the compensation of employees (73,6 per cent of the operational budget or 64 per cent of the total budget). It is worth noting that the allocation for the compensation of employees budget will increase by 4,78 per cent or R87.2 million compared to the previous financial year. However, when factoring inflation, the increase in allocation declines to R24,4 million, which might hinder Stats SA's capacity to fill vacant positions.

Goods and Services: The goods and services budget accounts for 26,4 per cent of the current payments' allocation and 22,9 per cent of the total allocated budget. Goods and services increased by R19,9 million or 3 per cent compared to the previous financial year. However, it is worth noting that when inflation is factored in, the Goods and Services allocation declines by R2,6 million or 0.4 per cent. This is in line with the decrease in real allocation for compensation of employees, which raises serious concerns.

Table 1. Allocations by Economic Classification (nominal and real changes)

Programme	Budget			Nominal	Real	Nominal	Real %
	2025/26	2026/27		Increase / Decrease in 2026/27	Increase / Decrease in 2026/27	% change in 2026/27	change in 2026/27
R million							
Compensation of employees	1 822.9	1 910.1		87.2	24.4	4.8%	1.34%
Goods and services	663.5	683.4		19.9	- 2.6	3%	-0.4%
Transfers and subsidies	4.0	24.6		20.6	19.8	515%	494.8%
Payment for Capital Assets	364.8	365.5		0.7	- 11.3	0.2%	-3.1%
Total	2 855.3	2 983.5		128.2	30.1	4.5%	1.1%

Source: National Treasury (2026)

3.2 Budget overview by Programme

Over the strategic five-year period from 2025-2030 and for the 2026/27 financial year, Stats SA's budget focuses on implementing policies, strategies, and programmes to achieve its goals. In line with these goals, Stats SA will implement its initiatives through its seven programmes.

The Statistical Operations and Provincial Coordination programme receives the biggest share of total allocation (32.2 per cent), followed by the Administration programme (28.2 per cent).

Table 2. Allocations by Programme (Actual allocations and as a percentage share of total budget)

Programme (million)	2025/26		2026/27	
	Amount	Share of total budget	Amount	Share of total budget
Administration	R779.1	27.3%	R842.3	28.2%
Economic Statistics	R317.8	11.1%	R315.1	10.6%
Population and Social Statistics	R273.5	9.6%	R304.0	10.2%
Methodology and Statistical Infrastructure	R158.7	5.6%	R171.2	5.7%
Statistical Support and Informatics	R324.4	11.4%	R343.2	11.5%
Statistical Operations and Provincial Coordination	R954.2	33.4%	R961.6	32.2%
South African National Statistics System	R47.7	1.7%	R46.1	1.5%
Total	R2 855.4	100.0%	R2.983.5	100%

Source: National Treasury (2026)

The R128,1 million increase in the allocated budget in the financial year under review translates into a R30 million increase in real terms. Five of the seven programmes experience nominal increases in their allocations. However, when inflation is factored in (estimated inflation of 4,7 per cent for the 2026/27 financial year), only four programmes experience an increase in their allocations. Allocations for the Economic Statistics (Programme 2) and the South African National Statistics System programmes (Programme 7) decrease both in nominal and real terms, whereas the allocation for the Statistical Operations and Provincial Coordination programme increases in nominal terms but decreases in real terms.

Table 3. Allocations by Programme (Actual allocations, nominal and real increases)

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal % change in 2026/27	Real % change in 2026/27
	2025/26	2026/27				
Administration	R779.1	R842.3	R63.2	R35.5	8.1%	4.6 %
Economic Statistics	R317.8	R315.1	- R2.7	- R13.1	-0.8%	-4.1%
Population and Social Statistics	R273.5	R304.0	R30.5	R20.5	11.2%	7.50%

Methodology and Statistical Infrastructure	R158.7	R171.2	R12.5	R6.9	7.9%	4.3%
Statistical Support and Informatics	R324.4	R343.2	R18.8	R7.5	5.8%	2.3%
Statistical Operations and Provincial Coordination	R954.2	R961.6	R7.4	- R24.2	0.8%	-2.5%
South African National Statistics System	R47.7	R46.1	- R1.6	- R3.1	-3.4%	-6.5%
Total	R2 855.4	R2.983.5	R128.1	R30.0	4.5%	1.05%

Source: National Treasury (2026)

3.3 Transfers to entities

Stats SA does not have entities. It only transfers a modest allocation to households (R4 million in 2025/26, which increases to R24,6 million in 2026/27. In nominal terms the allocation increases by R20,6 million or 515 per cent compared to R19, 8 million or 494 ,8% in real terms. The Committee may wish to enquire with the Department about the reasons for this significant increase in allocation.

4. Programme Analysis

Stats SA's targets are linked to the Medium-Term Development Plan's (MTDP's) strategic outcome which focuses on building an ethical, capable and professional public service. This section reviews the targets and indicators that are crucial to Stats SA's performance and historical challenges.

4.1 Programme 1: Administration:

The purpose of the programme is to provide strategic leadership, management and support services to the department. The organisation will realign its organisational structure and culture to its strategy. The budget for this programme is R842 million. The vacancy rate for this programme is 35.3%, translating to 181 posts. The biggest cost driver in this programme is

office accommodation at an average expenditure of 61.2 per cent.

Programme 1 contributes to the strategic outcome “Transformed capability”, which requires a major shift in the organisation’s strategic capabilities in terms of its human, technological and organisational capital so that it can drive business transformation and change. To this end, the organisation will review its organisational structure and establishment to respond to new and emerging requirements stemming from the revised strategy, amendments to the Statistics Act, 1999 and the implications of the ongoing modernisation process. To mitigate the challenges created by the high vacancy rate, the organisation will also develop a forward-looking retention and succession plan.

Leadership has endorsed a comprehensive culture-shift programme to support the successful implementation of the new strategic plan. The culture-shift programme will be implemented progressively over the medium term and will include targeted initiatives such as leadership engagement sessions, knowledge-sharing and empowerment sessions, and the integration of culture-change principles into performance management processes.

The implementation of the skills development strategy is a critical path to harnessing talent and skills in a restricted fiscal environment. Investing in new skills for the future will form the basis of career path development and multipronged programmes to ensure that critical skills are retained. The achievement of national employment equity targets remains a challenge due to a declining fiscus and limited opportunities to recruit staff. However, the organisation uses periodic surveys to appoint young people in contract positions as fieldworkers. Stats SA developed an Employment Equity Plan to address these gaps, where funding allows. Engagements are ongoing with the National Treasury on the challenges the organisation is facing with its Compensation of Employees allocation and budget allocation overall.

Stats SA will continue its efforts to transform the accommodation environment and its national footprint by rationalising district offices and improving disaster risk reduction plans.

4.2 Programme 2: Economic Statistics:

The purpose of this programme is to produce economic statistics to inform evidence-based

economic development. This programme plans 264 statistical releases and reports in this financial year. The budget for this programme is R315 million. Stats SA's economic statistics programme has a vacancy rate of 18.5%, which translates into 105 posts.

The programme focuses on providing insightful data. To this end, it produces a range of statistics that describe the dynamics of the economy and its links to job creation, economic growth, price stability, the environment, and society. The data adheres to relevant international frameworks, classifications, standards and good practices.

The existing surveys vary in scope, coverage, and frequency. It includes various monthly, quarterly, annual and periodic sample surveys based on the statistical business register. Where relevant, administrative data is used to compile the statistics. Each statistical series has various users from the public and private sectors, academia, and non-governmental institutions, both local and international. In addition, these series allow for the estimation of gross domestic product. The branch responds to the economic indicators outlined in the Integrated Indicator Framework, contributing to monitoring the country's National Development Plan, the Medium-Term Strategic Framework, the Sustainable Development Goals, and Agenda 2063 at a continental level.

A critical strategic intent is to increase the supply of economic statistics by developing new surveys and enhancing existing ones, funded through efficiency gains within the current resource constraints. These will primarily focus on developing a better understanding of price behaviour in the services sector of the economy and of natural capital accounts.

The branch is considering different approaches to ensure the business operating model becomes more agile. This is possible by increasing the use of technology during the data collection phase of the statistical value chain to improve efficiency. In addition, further research and alignment with international best practices are needed to assess the use of administrative data to supplement existing surveys and to serve as a data source for new indicators.

The branch outputs do not occur in isolation but depend on other actors within the data ecosystem to provide data. Therefore, the objective of Stats SA's interconnected statistical systems is relevant to the programme. The existing partnerships will be deepened, and the branch will engage new partners where required. The intention is to reduce the costs of the current operating model whilst broadening the scope of available data.

The branch aims to enhance its staff members' capabilities. Continuous staff development is vital to ensure the workforce is prepared to adapt to expected changes in the business model. In addition, the teams must be equipped to function increasingly professionally as the branch moves towards modernising its current data collection model.

4.3 Programme 3: Population and Social Statistics:

The purpose of this programme is to produce population and social statistics to inform evidence-based socioeconomic development. The organisation has planned 53 statistical releases and reports scheduled in this financial year. The budget in this programme is R53 million. The programme has a vacancy rate of 26.1%, translating to 57 posts.

Stats SA has to grow and transition from only data and information production to an information and knowledge-based organisation that oversees the statistical ecosystem in the country. There is an ever-increasing demand for data and information in South Africa in relation to understanding the evolution of social and economic phenomena. The organisation aims to increase its responsiveness to user needs through deeper analysis and explore the use of alternative data sources by harnessing and unlocking data in the broader ecosystem, while maintaining the quality of key national indicators. Population and Social Statistics as a branch subscribes to insightful data as its primary strategic outcome.

Population and Social Statistics will continue to sustain the quality of key national indicators and to increase responsiveness to users' basic statistical needs and demands by collecting and analysing data across a range of themes, including living conditions, domestic tourism, transport, education, gender and marginalised groups, governance, crime and safety, employment, poverty and inequality, the demographic profile of the country and substantive analysis of key analytical themes related to the demography of the country, e.g. fertility, migration, mortality and causes of death, recorded live births, health reports, marriages and divorces, tourism and migration monthly and other annual reports. Furthermore, in-depth thematic research reports will occur annually, exploring innovative methods, covering analytical themes related to the demography of the country, as well as a focus on women, children and persons with disabilities. The demography of the country will be obtained by means of the mid-year population estimates produced annually at various geographic levels, as well as projections which form part of the suite of products of the population estimates

programme. In addition, Stats SA will commemorate the Census journey, marking 30 years of data collection that have consistently contributed to the provision of high-quality data at the national, provincial, and local government levels to support evidence-based planning and decision-making.

The persistently high levels of inequality and ongoing challenges in poverty reduction necessitate a comprehensive understanding of household consumption patterns, encompassing both goods and services. Furthermore, increasing concerns about food security at the global and national levels emphasise the need for robust, specialised measurement of household income and expenditure, poverty and inequality, multidimensional poverty, and household food security. In response to these demands, Stats SA is exploring ways to integrate and collect income and expenditure indicators through the anticipated Continuous Population Survey. In addition to this initiative, Stats SA will continue to release national poverty lines on an annual basis, adjusted for inflation to reflect changes in the cost of living. Regular updates based on price movements for goods and services are essential to ensure that the national poverty lines remain accurate, credible, and relevant over time.

These themes feed into the Integrated Indicator Framework (IIF) and contribute to evidence-based policymaking across government. Issues related to women, children and people with disabilities are integrated into the various Population and Social Statistics outputs. Outputs specifically include an annual indicator report on marginalised groups (women, the youth, older persons, and people with disabilities), as well as various thematic reports on issues relating to gender and marginalised groups. Statistics produced by the branch are disaggregated by sex and age to allow for a broader understanding of women's and children's living circumstances. Thematic reports on health, child poverty, men, women and children, fertility, mortality and education give a deeper analysis of marginalised groups, focusing on socio-economic issues that involve children and women.

The outputs produced within the Population and Social Statistics branch will contribute towards monitoring of the MTDP 2024–2029, the National Development Plan goals and indicators, Agenda 2063, as well as the Sustainable Development Goals, which are outlined in the IIF.

The strategic intent of this programme is to integrate survey content through the introduction of a Continuous Population Survey (CPS). Stats SA is currently collecting statistical information on living conditions, service delivery and poverty through the General Household Survey (GHS), the Income and Expenditure Survey (IES), the Living Conditions Survey (LCS), and the Community Survey (CS). In response to growing user demands, especially for data at the sub-provincial level, as well as ensuring high-quality, timely products, Stats SA is embarking on a process of reviewing the content of the questionnaires of these surveys as well as their survey methodology. One of the outcomes of this process is introducing a modular approach, where a rotational system of in-depth service delivery modules will be developed and implemented at regular intervals as part of a CPS for household surveys. Continuous collection is expected to better capture seasonality in the data and to provide more opportunities for quality assurance. The Continuous Population Survey will integrate current survey instruments – the General Household Survey (GHS), Living Conditions Survey (LCS), Income and Expenditure Survey (IES) and elements of the Governance, Public Safety and Justice Survey (GPSJS) – and will provide an integrated tool for the collection of living conditions, life circumstances and poverty data. The CPS will be tested and piloted in 2026/27. This survey will create a more agile and cost-effective operating model for survey data collection, providing a broad platform to cover a range of thematic areas (inter alia household income and expenditure data, living conditions, service delivery, health, demographic data, and education) on a regular basis. This programme plays a pivotal role in the operational inputs that contribute towards achieving other strategic outcomes. In specific, the digitalisation of relevant phases in the statistical value chain (development of electronic questionnaires) contributes towards achieving an *Agile operating model*.

A key strategic intent of this programme is to explore and increase the use of administrative data as alternative data sources to complement existing publications and produce new indicators. Although Population and Social Statistics will continue to rely on survey data in the foreseeable future, efforts are underway to assess the availability and potential use of a range of administrative data sources. This approach aims to harness and unlock data within the broader data ecosystem to complement, and potentially in the longer term replace, selected survey-based data sources, in line with established statistical principles, standards, and frameworks. Work has already commenced in key areas, including the utilisation of the Learner Unit Record and Information Tracking System (LURITS) of the Department of

Basic Education and the Higher Education Management Information System (HEMIS) of the Department of Higher Education and Training. In addition, administrative crime data from the South African Police Service (SAPS) and the Governance, Public Safety and Justice Survey (GPSJS) are used alongside the General Household Survey (GHS) and other survey data to produce statistical information and analytical reports.

Extensive skilling and reskilling in data analytics, data mining, and other related digital capabilities are required in order to meet the requirements of the new data ecosystem. We will invest in building a diverse, skilled and versatile workforce that embraces change and is able to deliver innovative solutions. Specific training in data science, big data analysis, data mining, to mention a few areas, will be required. This will create a cadre of analytical capability to drive and increase value in the data ecosystem

4.4 Programme 4 Methodology and Statistical Infrastructure

The purpose of the programme is to develop standards, statistical frames and methodologies, and conduct statistical research. The programme plans the Continuous Population Survey (CPS) and the Computer Assisted Web Interview System (CAWIS) methodological and frame support. The programme's budget is R171 million. The vacancy rate in this programme is 27%, which translates to 65 posts.

The programme contributes towards achieving the organisational strategic outcomes of agile operating model and interconnected statistical systems. The key deliverables are an essential and critical element, which form the support system and foundations of core statistical products.

Statistical standards are the enablers of achieving uniformity, consistency, comparability, integration and ultimately data sharing and thus increased use of statistical products. Correct implementation of statistical standards promotes efficiency of operations and increases productivity. Statistical standards are a precondition for the production of good-quality statistics. The branch must ensure availability of and access to relevant statistical standards and classifications for Stats SA. Over the medium term the Branch will focus on drafting a standardisation framework for the NSS which in turn will inform the operational model for developing statistical standards and classifications for SANSS partners. In addition, the branch will focus on the adoption or adaption of international classifications.

Geo-enabled statistical frames and geospatial support services to Stats SA and the external stakeholder community enable the creation and use of geospatial frames, the application of geospatial tools and support on geo-statistical analyses. The Geospatial Information Frame (GIF) contributes as a transversal frame in the statistical value chain through its layers of geo-referenced features such as dwellings, businesses, place names, enumeration areas, small areas and national administrative boundaries. The GIF forms the base reference for planning, operations and dissemination of censuses and surveys. Geospatial information and reliable evidence are fundamental to achieving domestic and global developmental agendas. The lack of common and reliable information for planning is a major constraint in attaining policy targets and guiding decision-making concerning available resources, service backlogs, inputs required, etc. It is therefore fundamental that this process be based on a foundation of reliable data, as the quality of decisions depends on the timeliness, coverage, applicability and accuracy of the information on which they are based. Further to this, the necessary skills and competencies to sufficiently understand, analyse and utilise geospatial information are vital.

The Statistical Business Register serves as a basis for all economic sample surveys conducted by Stats SA. It is a database containing selected information of all VAT-registered formal businesses in South Africa, irrespective of size and economic activity performed, that have registered their business with at least one of the following government authorities, i.e. the Department of Trade and Industry and/or the South African Revenue Service (SARS). Furthermore, work is undertaken to develop a more suitable sampling frame for the Quarterly Employment Statistics survey by identifying and testing variables for the frame creation and sample selection. Inclusion of the employment frame into the suite of products that are generated in the Branch represents an expansion of the reach of the SBR and further affirms the mandate of the branch in respect of providing sampling frames that are fit for purpose and suitable for the needs of surveys. Initiatives to evaluate identified administrative data sources in the state that are relevant for the maintenance of the Statistical Business Register will be pursued further.

Application of sound statistical methods is the cornerstone of quality statistics. In line with this, the branch is also responsible for researching, developing, designing and implementing a diverse range of statistical, data and analytical solutions to support and inform critical stages of the statistical value chain in Stats SA. In this regard, the broad range of methodological support can be classified into: providing statistical techniques and practices with respect to official statistics;

survey design including data sourcing and survey methodology; survey data analysis; statistical research to innovate statistical methods, practices, and processes for improved efficiency and agility; as well as providing methodological support in the form of expert guidance and specialist advice covering a wide-ranging portfolio of surveys across Stats SA and the wider data ecosystem encompassing stakeholders under the South African National Statistics System umbrella.

For the organisation to sustain the quality of key indicators and to curb the challenges of declining quality of data, there is a need to reposition and strengthen quality management approaches in the organisation. In this regard, it is envisaged that monitoring and evaluation systems will be enhanced through the refinement and implementation of the quality management system (QMS). Addressing the quality gap requires a multi-pronged approach. This includes standards development to support and guide statistical production; quality assessment through the SASQAF in order to certify statistical products as official; as well as monitoring the correct application of standards throughout the production processes and evaluation of statistical products and processes against approved statistical standards and methods. While the development of the QMS is ongoing, the Branch will continue to implement and enhance current monitoring and evaluation processes as informed by the applicable organisational frameworks.

The transition of statistical production processes from manual systems to digital platforms requires the branch to upskill and re-skill its personnel to ensure that they provide the relevant and necessary support to production systems. Disruptions and their subsequent impact on the production of statistics place further importance on this aspect of the work as well as more emphasis and dependence on methodological support to production areas and members of the SANSS.

4.5 Programme 5 Statistical Support and Informatics

The purpose of the programme is to enable statistical production through technology and promote the use of statistics. The programme plans to provide technical support to CPS and CAWIS, as well as a website revamp. The programme's budget is R343 million. The programme's vacancy rate is 34%, translating into 84 posts.

The SSI programme leverages technology to transform and optimise data ecosystems, ensuring

that they effectively serve statistics users while adapting to evolving requirements of the Integrated Indicator Framework (IIF). *Why it matters:* Optimised data ecosystems improve decision-making, increase efficiency, and ensure sustainability by aligning with both current and future statistics consumer expectations. Key outputs to achieve insightful data include: the implementation of the integrated stakeholder management strategy, which aims to place stakeholders at the centre of our operations by delivering products and services that are in line with the statistics consumer expectations; design and implement data management platforms to position Stats SA as a key player in the data ecosystem; to innovate interactive platforms by continuously enhancing the website and data collection platforms to improve, accessibility and use of our statistical products and services and effective collection of data; and to compile specialised research reports and knowledge products for better insights into planning and policy development processes.

The programme provides the technology backbone in the form of an enterprise architecture (EA) that enables infrastructure and digital solutions' capacity management. EA provides Stats SA with an environment that allows easy and faster adoption of newer technologies while supporting smooth business process transformation. An EA offers dexterity, effectiveness and robustness in unifying and coordinating different foundational aspects of an organisation, from planning and prioritising to identifying and managing interdependencies, risks and enabling governance. It integrates the organisation's fundamental elements to streamline efforts, reduce costs and bring about the required value.

The exponential growth of the digital world has impacted on how organisations carry out their business, and those who do not adapt are guaranteed to face difficulties and possible cessation of business altogether. For Stats SA to keep up with this digital growth and possibilities, the ICT infrastructure and staff need to keep abreast with capacity and skills required to enable the organisation to prosper in a multiple data ecosystem environment. Investments in digital capability will also focus on ensuring that staff members are equipped with the necessary capabilities to learn, live and work in an evolving digital society.

4.6 Programme 6 Statistical Operations and Provincial Coordination

The purpose of this programme is to collect and process data and interact with stakeholders and

users at provincial and local levels. The programme plans to achieve the Continuous Population Survey (CPS) pilot (fieldwork) in this financial year. The programme's budget is R962 million. The vacancy rate in the programme is 19%, translating into 278 posts.

The strategic intent of the Statistical Operations and Provincial Coordination branch within the data ecosystem is to ensure well-coordinated, quality-assured data collection, processing and dissemination of statistical information. The primary target is to have household surveys and population census multi-mode collections online and technology-driven, with all fieldwork staff appropriately skilled in the use of new technology and different modes by 2027.

The organisation conducted the Income and expenditure survey (IES) and commenced with the dissemination of the IES results in 2024/25. The dissemination of the IES results will continue with the poverty report and poverty trends being available later in the year 2025/26. The Poverty results will be used to track poverty and inequality, which are the biggest challenges we have in South Africa

The organisation has introduced the use of a multi-modal approach in data collection for the Census. This approach provides respondents with an option to be enumerated without any physical contact with a Stats SA official, should they wish so. Testing for using multi-modal will continue for the rest of the Household Surveys. The implementation of an Integrated Operations Model will be rolled out in a phased approach over the medium term.

A key strategic focus of the branch will be on reskilling our staff to meet the new requirements of work methods in a digital as well as hybrid work environment. The focus will not only be on digital capabilities but also ensuring that our staff have the necessary capabilities and capacity as we are implementing an Integrated Operations Model for data collection.

Key challenges facing the branch relate to the filling of critical vacancies, aging field workforce and the de-investment in the statistical infrastructure at a provincial and local level to facilitate a hybrid working environment.

4.7 Programme 7 South African National Statistics System

The purpose of the programme is to develop and coordinate the national statistics system in South Africa.

The organisation plans to implement Statistics Act No. 6 of 1999, as amended by No.29 of 2024 in this financial year. The programme's budget is R46 million. The programme's vacancy rate is 43.8%, translating to 21 posts.

Partnerships with all role players in the data ecosystem are essential to realise the full benefits of the data revolution and modernised national statistics systems. The statistics system is composed of entities in the NSS that must subscribe to governance and ethical principles for all producers of statistics. Additionally, insofar as production activities are concerned, all entities of the NSS subscribe to standards and frameworks as directed by the Statistician-General (SG) under the mandate of the Statistics Act, 1999. The Integrated Indicator Framework (IIF) is a tool to promote coordination among producers of official and other statistics in order to advance quality, comparability and optimum use of official statistics. It is also a key contributor to the achievement of the interconnected statistics system. Increasing the number of frameworks within the IIF will expand the indicators of national importance that comply with statistical principles as directed by the SG. Once fully developed, the IIF will be able to ascertain what the information gap is in the statistics system.

Stats SA tabled the Statistics Amendment Bill in Cabinet in 2022/23. The Amendment Bill was introduced in Parliament and gazetted in the 2023/24 financial year. The Bill was deliberated and approved at the National Assembly. The Bill was signed into law by the President on 20 December 2024, leading the path for the rollout of the legislative changes to commence. The Statistics Amendment Act, 2024 came into effect on 01 October 2025.

The approval of the Statistics Amendment Act, 2024 will lead to the development and implementation of the National Strategy for Development of Statistics (NSDS). This aims to build capacity and strengthen coordination amongst entities of the NSS. Through the NSDS, NSS entities will be able to set up statistical units and compile annual statistical plans informed by the IIF. All data that will be used to report on the IIF will be taken through a quality assessment process using the South African Statistical Quality Assessment Framework (SASQAF). The latter is used as a framework for designating statistics as official by the Statistician-General as per his mandate in the Statistics Act, 1999. A key strategic intent of Stats SA is to institutionalise the SASQAF self-assessment portal over the medium term that was launched during 2021/22,

which will enable all partners to conduct their own quality assessment before an independent assessment is conducted by Stats SA to facilitate the certification of statistics as official.

Through the NSDS, the technical support and advice that will be given to entities of the NSS, the implementation of the IIF, and the coordination part of the Statistics Act, 1999 will be fully realised. The online platforms that will be used for assessments and reporting on development frameworks will ensure there is access to quality data towards the achievement of the country's priorities.

Stats SA is also responsible for the development and coordination of the Sustainable Development Goals country report. During 2025/26, the SANSS branch published the SDG country report, reporting on the development and progress South Africa has made since the adoption of the global sustainable development agenda. A preliminary SDG country report for the 2027/28 reporting period will be drafted in 2026/27.

5. CONCLUSION

Stats SA plays a pivotal role in informing policy-making, government budgeting, and long-term planning. In line with its mandate, Stats SA is instrumental in achieving the NDP and the MTDP's long-term primary objective of addressing unemployment, inequality, and poverty. Further, as the nation's primary provider of science-based quantitative evidence on the economy, the population and the social conditions of South Africa, Stats SA is crucial in achieving the Government priorities, which are to drive inclusive growth and job creation; reduce poverty and tackle the high cost of living, and to build a capable, ethical and developmental state.

The 2026 MTEF allocations, along with the targets set out in its 2025/26-2029/30 strategic plan and the 2026 APP, should enable Stats SA to realise its mandate and goals. However, by the Department's own admission, there are significant challenges and limitations which require Parliament's attention and consideration. Below is a list of some of these challenges:

- Stats SA's operating model is outdated, consisting of fragmented systems that are difficult to integrate, leading to inefficiencies and high operational costs.
- The current statistical system is out of sync with current and future data needs at all levels of society.
- Stats SA's existing resources and capabilities are only partially adequate to meet the demands of the statistical system;
- Reliance on outdated ICT infrastructure puts Stats SA at risk of cyber-attacks. To confirm the seriousness of this risk, on 29 March 2026, Stats SA issued a media statement confirming a cybersecurity breach affecting a Human Resources database. According to reports, the security breach was followed by ransom demands.
- Despite the importance of governance, at Stats SA, the governance division is insufficiently capacitated. Unfilled positions hinder the division's ability to effectively carry out its responsibilities.
- Reductions in baseline allocations over the years have constrained Stats SA's ability to sustain core statistical programmes.
- Reliance on ad hoc funding. Large-scale operations, such as censuses, depend on episodic allocations, which adversely impact planning, design, and continuity.
- Stats SA is grappling with rising operational costs, fieldwork, data collection technologies, and ICT infrastructure costs; yet the allocations remain insufficient.
- Stats SA has 2,501 filled posts out of 3,301 funded posts, resulting in a vacancy rate of 24 per cent as of 31 December 2025. The vacancy rate continues to rise due to the declining fiscus.
- There are high vacancy rates in specialised skills (statisticians, data scientists, survey methodologists).
- The high vacancy rate contributes to Stats SA's failure to achieve key employment equity targets. The number of youths employed at Stats SA is 144, which translates to only 5,7 per cent of the total staff complement, a figure that is significantly below the government target of 30 per cent.
- Budget constraints have affected the implementation of the training programme aimed at equipping staff with the skills required for future demands.

6. Key Issues for Consideration by Parliament

The following are some of the implications for Parliament arising from the 2026/27 Department's budget:

6.1 Parliament notes the risks associated with any form of information security breaches. It emphasised the need for well-maintained and relevant IT systems in support of South Africa's core statistical system, and that the necessary funding be made available for this purpose.

6.2 Parliament is concerned with the high vacancies and the continued loss of critically and scarce-skilled employees, which remains a grave concern, particularly the impact on core statistical functions. Parliament recommended that Statistics South Africa review its recruitment and retention policies and offer competitive salaries to appropriately skilled personnel as an incentive to retain their services. It was also stressed that Statistics South Africa's processes are people-driven, and that the lack of appropriately skilled personnel will place a burden on the organisation during the Census.

6.3 Parliament stressed the importance of protecting and improving statistics that are useful in the development of effective policies and service delivery interventions. Statistics SA is requested to clarify the impact of the use of the outdated UN's International Standard Industrial Classification, which it is compelled to use owing to budgetary constraints, on the quality and reliability of the economic statistics it reports. Parliament requested that Statistics South Africa confirm whether it used alternative data to inform some of its statistical outcomes.

6.4 Parliament supports that Statistics South Africa should be properly resourced and that it should consult with the National Treasury to secure an appropriate budget necessary to recover organizationally and operationally.

6.5 Parliament notes that the local government's equitable share policy is currently under review and requested what role Statistics South Africa had contributed in support of this process and whether the entity had undertaken any predictive modelling based on historical statistics to improve long-term planning.

6.6 Parliament notes the need for statistical data on the impact rapid urbanisation has had on the rural economies and poverty levels, and the interventions required to slow it.

7. End Notes

- N. Magazi (2026) *Proposed Committee Oversight to Various Public Institutions in Pretoria: Statistics South Africa. Parliament of RSA: Parliamentary Research Unit*
- National Treasury (2026) *Estimates of National Expenditure*
- Stats SA (2026a) *Work Programme 2026/27*
- Stats SA (2026b) *2025/26-2029/30 Strategic Plan.*
https://www.statssa.gov.za/strategy_plan/Stats%20SA%20Strategic%20Plan%202025_26%20-%20-%202029_30.pdf
- Stats SA (2026c) *Media Statement: Stats SA responds to Cybersecurity breach.* Available at: <https://www.statssa.gov.za/?p=19380>
- Stats SA (2024) *Media Statement: Statistics South Africa Responds to Concerns over Census Data Quality.* Available at: <https://www.statssa.gov.za/?p=17379>
- Ramaphosa, C. (2026) *State of the Nation Address 2026.* Parliament of the Republic of South Africa. Cape Town

Report to be considered.

4. Report of the Portfolio Committee on Communications on its deliberations of Budget Vote 30: Communications and Digital Technologies, dated 5 May 2026

The Portfolio Committee on Communications (the Committee), having considered Budget Vote 30: Communications and Digital Technologies (herein referred to as “the Department” Annual Performance Plans (APPs) for 2026/27 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 (PFMA), the Accounting Officers must provide Parliament or the relevant legislature with their respective institution’s Medium-Term Development Plans (MTDPs) and with Annual Performance Plans (APP).

The Money Bills Amendment Procedure and Related Matters Act was promulgated in 2009 and provides 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 DCDT, ICASA, FPB, BBI, NEMISA, USAASA/USAF, SITA, SABC and Sentech, SAPO and Postbank and. ZADNA for briefing on Annual Performance Plans (APPs) on 21 April , 23 April and 24 April 2026.

2. The Department’s MTDP 2025-2030

The Department’s Medium-Term Development Plan (MTDP) 2025–2030 provides a strategic framework to accelerate South Africa’s digital transformation in support of inclusive economic growth, social development, and a capable, ethical developmental

state. Anchored in the National Development Plan (NDP) 2030 and aligned with government's MTDP priorities, the plan positions digital technologies as a key enabler for service delivery, innovation, job creation, and economic competitiveness.

Over the five-year period, the MTDP focuses on closing the digital divide, particularly by expanding access to affordable, secure, and high-quality broadband infrastructure for households, communities, and public institutions. This includes prioritising connectivity for schools, health facilities, rural areas, townships, and underserved communities, while improving the quality and security of public Wi-Fi and broadband services.

A second core focus of the MTDP is the creation of a modern, inclusive policy and regulatory environment that supports digital innovation, market competition, and investment certainty. This includes advancing reforms such as the Digital Economy Masterplan, data and cloud governance, artificial intelligence policy, and electronic communications legislation, while strengthening South Africa's participation in global and regional digital governance platforms.

The MTDP further prioritises the development of a digitally capable society and State, through the rollout of digital and future skills initiatives, the implementation of the Digital Transformation Roadmap, and improved digital government services. This aims to ensure that citizens, public servants, youth, women, and persons with disabilities are empowered to participate meaningfully in the digital economy.

Finally, the plan emphasises institutional capability and governance, including strengthening oversight of ICT state-owned entities, improving operational efficiency, and embedding a results-driven, outcomes-based performance management approach across the Department. Collectively, these priorities are intended to deliver a digitally inclusive, innovative, and globally competitive South Africa by 2030.

2.1 The Department's MTDP 2025–2030: Outcome Indicators

The DCDT's Strategic Plan for 2025-2030 identifies several outcomes. For the 2026/27 financial year, these are distilled into four mutually reinforcing portfolio priorities, which guide the APP:

1. **Connectivity and Access:** Focuses on enabling universal and meaningful connectivity, improving affordability and quality of service, and expanding access to devices and digital skills.
2. **Digital Skills Development:** Ensures citizens, public servants, youth, and entrepreneurs are equipped to participate effectively in a digital economy.
3. **Productive Use of the Internet:** Moves beyond access to ensure digital technologies are used for learning, enterprise, public service delivery, and economic participation.
4. **Strengthened Enabling Environment:** Focuses on improving policy certainty, regulatory quality, institutional effectiveness, and investor confidence in the sector.

The Department's impact statement is to achieve "*a digitally transformed society and localised competitive economy.*"

2.2 Strategic Priorities for the MTDP 2025–2030

Over the MTDP 2025–2030 period, the Department of Communications and Digital Technologies prioritises the use of digital transformation as a central enabler of inclusive economic growth, social development, and a capable developmental state. The Department's strategic priorities are directed at addressing structural inequalities in access to digital infrastructure, strengthening policy certainty, and ensuring that digital technologies are leveraged to improve service delivery and economic participation.

A central strategic priority is the expansion of universal access to affordable, reliable and secure digital infrastructure. The Department aims to progressively close the digital divide by accelerating broadband connectivity, particularly in rural areas, townships, and underserved communities, while ensuring connectivity for schools, health facilities, and government institutions. This priority emphasises not only infrastructure rollout, but also the quality, sustainability and security of digital networks.

The MTDP further prioritises the creation of a modern, enabling policy and regulatory environment for the digital economy. This includes legislative reform, policy development, and regulatory coordination to support innovation, competition, and investment certainty

across the ICT sector. The Department seeks to ensure that South Africa remains responsive to technological change, including emerging technologies such as data governance frameworks, cloud computing, and artificial intelligence, while safeguarding the public interest.

Another key priority over the MTDP period is the development of a digitally capable society and a digitally transformed state. This involves driving the digital transformation of government through integrated digital platforms and services, while simultaneously expanding digital and future skills initiatives. The Department aims to empower citizens, particularly youth, women and marginalised groups, to participate meaningfully in the digital economy and benefit from technological advancement.

The Department also places strong emphasis on strengthening the governance, performance and sustainability of ICT state-owned entities. Improved oversight, accountability, and alignment with national digital priorities are prioritised to ensure that entities contribute effectively to service delivery, infrastructure development, and sector stability.

Finally, the MTDP underscores the importance of building institutional capability, sound governance and ethical leadership within the Department. Strengthening planning, performance management, legal compliance, risk management and financial oversight is viewed as essential to delivering results, managing fiscal constraints, and ensuring that strategic priorities are implemented effectively across the five-year period.

2.3 Relevant Court Rulings

The following table is all court rulings and implications for the Department:

Case	Court & Date	Key Issue	Court Ruling / Decision	Implications for the Department
e.tv (Pty) Limited and Others v Department of Communications and Digital Technologies and Others	North Gauteng High Court, Pretoria (March 2025)	Determination of the Analogue Switch-Off (ASO) date	The Court held that Cabinet acted unlawfully in setting the ASO date, as the power rests with the Minister, and found that public consultation was inadequate. An interim interdict was granted, suspending	Delayed the broadcasting digital migration programme and required the Department to reassess its legal authority, consultation

			implementation of the ASO pending a full review.	processes, and timelines for analogue switch-off.
Pretoria High Court ruling on ICASA Mobile Broadband Services Regulations	Pretoria High Court (October 2025)	Legality of ICASA's Mobile Broadband Services Regulations (2021 and 2024 amendments)	The Court set aside the regulations due to procedural defects, including insufficient market evidence, inadequate consultation with the Competition Commission, and poor assessment of competition dynamics.	Created a regulatory vacuum in the mobile broadband market, requiring urgent policy and regulatory intervention to restore certainty; ICASA indicated an intention to appeal.
Vodacom (Pty) Ltd v ICASA and Others	High Court (date not specified in APP)	Spectrum sharing and pooling arrangements	The Court declined to grant an interdict to halt spectrum sharing arrangements, but raised concerns about procedural fairness and insufficient public consultation by ICASA.	Reinforced the need for transparent, participatory, and procedurally sound regulatory processes, particularly in spectrum management.

3. The Department's Annual Performance Plan 2026 – 2027 (R2.6 billion)

3.1 Strategic Priorities

For the 2026/27 financial year, the Department will prioritise the acceleration of universal access to reliable, affordable and secure digital infrastructure as a foundation for inclusive growth and social development. This includes intensifying efforts to expand broadband connectivity to underserved areas, with a particular focus on rural communities, townships, and public institutions such as schools, health facilities and government offices. The Department will continue to support the rollout and stabilisation of high-speed networks, improve the quality and security of public Wi-Fi, and address infrastructure backlogs that perpetuate the digital divide.

A second key priority for 2026/27 is the finalisation and implementation of a modern, enabling policy and regulatory framework for the digital economy. The Department will focus on advancing priority legislation and policies, including reforms related to broadcasting, electronic communications, data governance, cloud computing and emerging technologies such as artificial intelligence. Particular emphasis will be placed on ensuring that policy development processes are legally sound, evidence-based and consultative, in

light of recent court rulings affecting the sector. This work is intended to provide regulatory certainty, stimulate investment, promote competition and support transformation within the ICT sector.

The Department will also prioritise the development of a digitally capable society and a digitally transformed state. During 2026/27, this will involve driving the implementation of the Digital Transformation Roadmap, expanding digital government platforms, and improving the integration and interoperability of government ICT systems. In parallel, the Department will continue to support digital and future skills initiatives aimed at youth, women and marginalised groups, ensuring that citizens are equipped to participate meaningfully in the digital economy and benefit from technological change.

Another central priority is the oversight, stabilisation and improved performance of state-owned entities and public entities within the ICT portfolio. The Department will strengthen governance, financial sustainability and accountability across its entities through enhanced monitoring, performance reporting and consequence management. This includes ensuring compliance with legislative and regulatory requirements, addressing operational inefficiencies, and supporting entities to align their mandates with national digital transformation objectives.

Finally, for the 2026/27 financial year, the Department will focus on building internal institutional capacity and strengthening governance and risk management. This includes improving strategic planning, performance monitoring, legal risk management, and intergovernmental coordination. The Department will place emphasis on ethical leadership, sound financial management and a results-driven organisational culture to ensure effective implementation of priorities and improved service delivery outcomes.

3.2 Expenditure Overview

The DCDT operates with a constrained fiscal environment. According to the 2025 Adjusted Estimated National Expenditure (AENE), the Department's total adjusted appropriation for 2025/26 was R3.55 billion. While the full 2026/27 budget is subject to the upcoming national budget process, the draft APP provides an initial allocation of R1 297 307 for its six programmes, with significant additional funds allocated to its public Entities. The Department's own operational budget is a fraction of the total vote, with the majority being transfers to SOEs.

Over the medium term, the Department will focus on coordinating the maintenance of broadband Internet access in underserved areas through the South Africa Connect project, and developing policies and legislation that promote media access, infrastructure investment and socioeconomic development.

Transfers and subsidies to the Department's entities and international membership fees account for an estimated 68.6 per cent (R5.4 billion) of its planned spending over the medium term. Of this amount, R1.9 billion is allocated to the South African Post Office for universal service obligations to provide postal services in underserved areas, R1.6 billion is allocated to the Independent Communications Authority of South Africa for regulating the ICT and postal sectors, and R728.8 million is allocated to the South African Broadcasting Corporation for subsidies for its public broadcasting mandate, programme productions, and its Channel Africa international service.

To strengthen its capacity to support the development of responsive policies towards an inclusive digital society that fosters socioeconomic growth, the Department plans to fill vacant posts and implement targeted succession planning, retention and development

programmes. As a result, spending on compensation of employees is set to increase at an average annual rate of 9.1 per cent, from R287.9 million in 2025/26 to R374 million in 2028/29, in line with the projected increase in the number of personnel from 307 to 338 over the same period. Spending on goods and services accounts for an estimated 17.4 per cent (R1.4 billion) of total spending over the medium term, mostly for computer services for the maintenance of 948 government sites for Phase 1 of the South Africa Connect project (R719 million), as well as travel and subsistence, consultants and operating leases for office accommodation.

A decrease of 14.9 per cent (R1.7 billion) in the Department's baseline over the MTEF period is due to higher spending in 2025/26 as a result of R1 billion that was rolled over for Phase 2 of the South Africa Connect project; and one-off allocations to Sentech amounting to R889 million for dual illumination, which is the cost of operating both digital and analogue systems due to the delay in switching off the analogue broadcasting signal (R189 million); and assistance with broadcast transmission costs (R700 million).

3.2.1 Maintaining Broadband in Underserved Areas

The Department will continue to implement the South Africa Connect project in underserved areas, supported by relevant state-owned Entities such as Broadband Infraco, Sentech and the State Information Technology Agency. This is expected to result in 948 government facilities continuing to be provided with connectivity annually as part of Phase 1 of the South Africa Connect project. For this purpose, R888.8 million is set aside over the MTEF period in the Broadband subprogramme in the Digital Infrastructure and Technologies programme.

Phase 2 of the project, which provided affordable internet to underserved areas by connecting government facilities and providing coverage to households through deploying community Wi-Fi hotspots, comes to an end after connecting 6 343 government facilities, and creating 32 055 Wi-Fi community hotspots providing coverage to an estimated 5.6 million households.

3.2.2 Enabling Digital Transformation and Inclusion

The Department aims to enable digital transformation and inclusion by revising the South African Broadcasting Corporation Bill to address the corporation's funding model, ensure the public broadcaster remains financially sustainable and independent, and ensure that it adapts technologically to serve the interests of all South Africans in a multiplatform digital environment. The Department also plans to develop a white paper on audio and audiovisual media services and online safety, followed by drafting and introducing the Audio and Audiovisual Media Services and Online Safety Bill into Parliament and subsequent implementation of the act in 2028/29.

This is expected to modernise the regulatory framework for content services, address the convergence between broadcasting and digital media, and strengthen the mechanisms for protecting users, especially children, from harmful content. In addition, the Department plans to develop a strategy on misinformation and disinformation, which is expected to outline policy and institutional measures to counter the spread of misinformation and disinformation, promote media literacy and enhance collaboration with digital platforms, academia and civil society. Spending for these activities is in the Media and Content programme's allocation of R1.2 billion over the medium term.

In enabling the creation of a digitally transformed economy and society, the Department plans to implement the digital transformation roadmap implementation plan to coordinate national initiatives that promote digital adoption, innovation and inclusivity across economic sectors. The Department also plans to develop a national artificial intelligence policy and implementation plan to support innovation and protect citizens' rights. Spending for these activities is within the Digital Society and Economy programme's allocation of R524.4 million over the medium term.

The 2026/27 APP has identified 37 output indicators across its six programmes.

3.3 DCDT 2026/27 Expenditure Trends Per Programme

Programme	2026/27 Draft Budget (R'million)	% of Total Draft Budget	Key Focus Areas
Programme 1: Administration	280.0	21.5%	Strategic leadership, IT strategy implementation, financial management, corporate services.
Programme 2: ICT Transformation, Global Partnerships & SOE Governance	108.7	8.4%	International engagement, SOE oversight (ICASA, USAASA, SAPO), sector transformation (gender, youth, disability).
Programme 3: Media and Content	396.9	30.5%	Oversight of SABC & FPB, content classification, online safety, public & community media support.
Programme 4: Digital Communication, Access & Services	1 297.3	100%	Digital economy masterplan, regulatory compliance (RICA, ECTA), postal services, digital enterprise development.
Programme 5: Digital Infrastructure & Technologies	299.1	23.0%	Broadband rollout (SA Connect), spectrum management (WRC-27), infrastructure entity oversight (BBI, Sentech).
Programme 6: Digital Society & Economy	166.9	12.8%	Digital transformation roadmap, AI policy, digital skills framework, cost to communicate analysis.
TOTAL	2 549.9	100%	

***Note:** The total differs from the AENE's 2025/26 figure (R3.55bn) as this table reflects the DCDT's internal programme budget for 2026/27 as presented in the draft APP, which does not include large transfers to entities like ICASA (R588m) and SABC (R234m) that

are part of the Department's vote. The AENE shows total departmental receipts of R543.6 million for 2025/26, largely from a Telkom dividend.

The 2026/27 APP has identified 37 output indicators across its six programmes.

Programme 1: Administration

Purpose: Provide strategic leadership, management, and support services



The programme's budget for 2026/27 is R280.0 million, primarily for Compensation of Employees (R145.6m) and Goods & Services (R125.2m). It includes sub-programmes for Ministry, Corporate Services, and Financial Management.

Programme 2: ICT Transformation, Global Partnerships and State-Owned Enterprises Governance

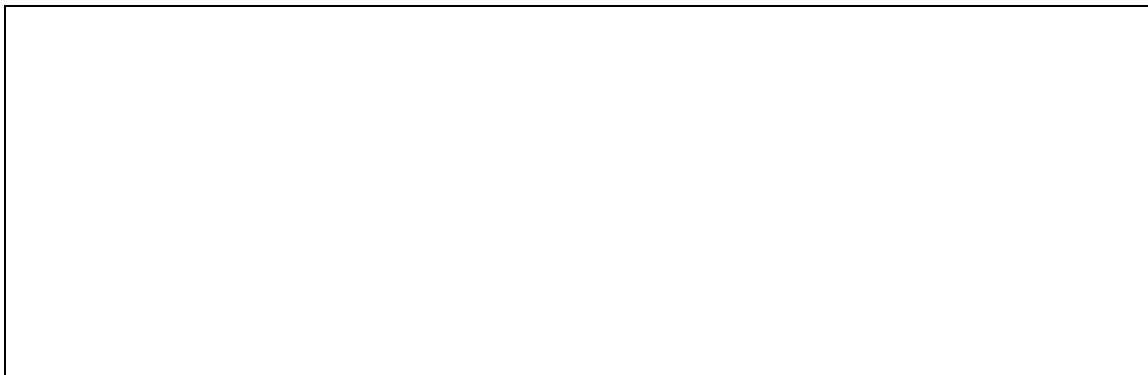
Purpose: Drive ICT transformation, global partnerships, and SOE governance.



The programme has a budget of R108.7 million for 2026/27. A significant portion (R74.5m) is for the *International Relations, Partnerships and Stakeholder Management* sub-programme.

Programme 3: Media and Content

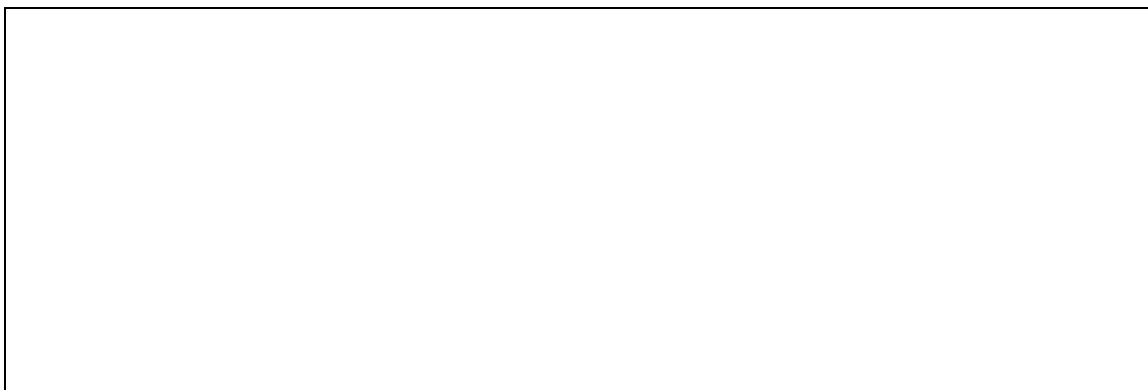
Purpose: Drive delivery of media and content services and oversee related entities (SABC, FPB).



This is the largest programme by budget (R396.9m), with R234.2m in transfers to the SABC and R112.1m to the FPB.

Programme 4: Digital Communication, Access and Services

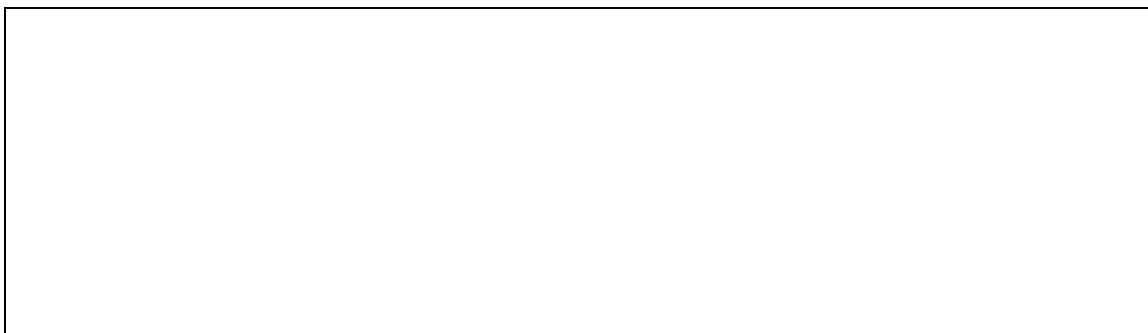
Purpose: Drive delivery of digital communication, access, and related programmes.



The programme's 2026/27 budget is R1.30 billion, with R1.25 billion allocated to transfers and subsidies, largely to ICASA (R588m), USAASA (R88.8m), USAF (R57.2m), and SAPO/Postbank (R598.6m).

Programme 5: Digital Infrastructure and Technologies

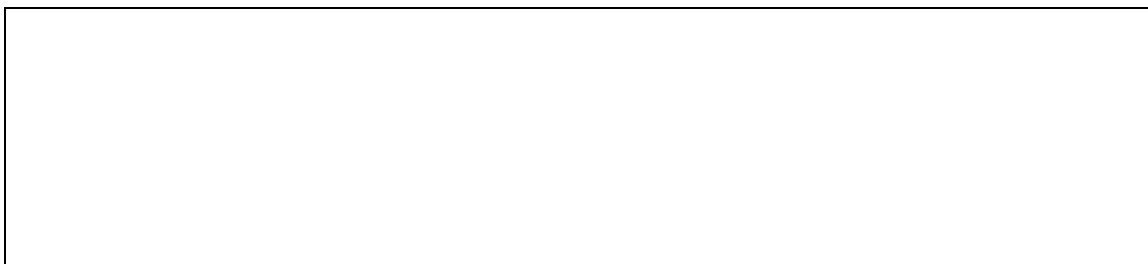
Purpose: Drive delivery of digital infrastructure and technologies services.



The 2026/27 budget is R299.1 million. The *Broadband* sub-programme (R285.1m) accounts for most of the spending, primarily on computer services and consultants.

Programme 6: Digital Society and Economy

Purpose: Drive delivery of digital society and economy services.



The 2026/27 budget is R166.9 million. The *Digital Society and Economy* sub-programme receives R162.7 million, with R105.4 million in transfers to entities like NEMISA and SITA.

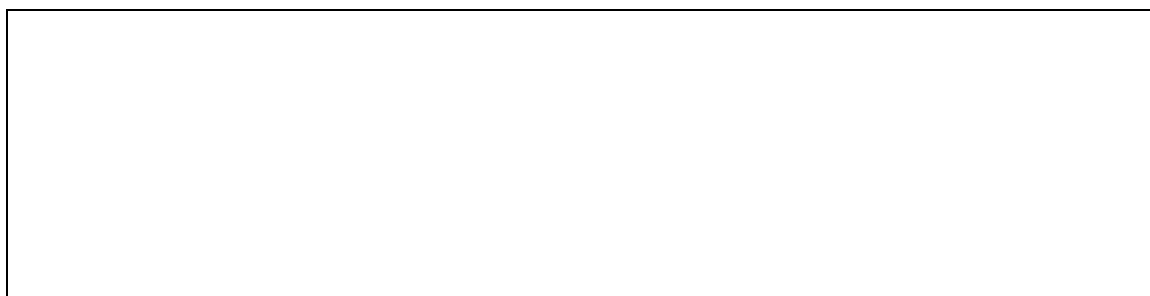
4. ENTITIES REPORTING TO THE DEPARTMENT

4.1 The National Electronic Media Institute of South Africa (NEMISA) - R106.3 million

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). Its programmes are

structured to enhance the market readiness of students in a range of broadcasting disciplines. The mandate was expanded to include providing digital skills and training for the fourth industrial revolution through identified partnerships, with priority areas including digital transformation for government employees, creative media training, courses related to the fourth industrial revolution and digital literacy.

Over the medium term, the institute will focus on implementing its operating model and digital skills agenda in collaboration with government, education institutions, business and civil society. The Institute aims to train more than 200 000 learners over the medium term in identified digital skills priority areas such as government e-enablement, creative new media industries, e-inclusion and social innovation.



Spending on compensation of employee's accounts for an estimated 40.6 per cent (R134.4 million) of the Institute's planned spending over the medium term, with transfers and subsidies to higher education institutions to fund e-skills projects accounting for an estimated 7.9 per cent (R26.3 million). Total expenditure is projected to increase at an average annual rate of 3.5 per cent, from R102.9 million in 2025/26 to R114 million in 2028/29. The budgeted (MTEF) expenditure estimate for the 2026/27 financial year is R106.3 million.

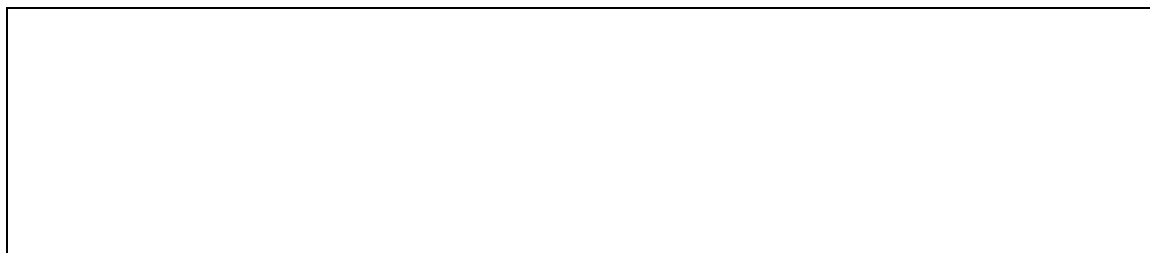
The Institute is set to derive 99.1 per cent (R328 million) of its revenue over the medium term through transfers from the Department and the balance through fees for training and development.

4.2 Universal Service and Access Agency of South Africa (USAASA) – R88.8 million

The Universal Service and Access Agency of South Africa were established in terms of section 80 of the Electronic Communications Act (2005) as a statutory body and is listed as a schedule 3A public Entity in terms of the Public Finance Management Act (1999). The agency's main aim is to promote universal access to telecommunications and digital services, especially in underserved and rural communities. Section 82 of the act mandates the agency to provide policy and regulatory advisory services to the minister and the sector regulator to make policy and regulatory proclamations.

The Agency plans to design and establish an evidence-based research programme over the medium term to fulfil its policy and regulatory functions. It will also aim to strengthen its monitoring and evaluation to assess progress in implementing policy programmes and projects, and to evaluate the extent to which the national goal of bridging gaps in digital access gaps is met. The Agency will continue to manage the Universal Service and Access Fund to ensure it reaches the intended beneficiaries.

The Agency's budget is used for costs related to its mandate to administer the fund. Expenditure is expected to decrease at an average annual rate of 8 per cent, from R122.4 million in 2025/26 to R95.2 million in 2028/29, due to higher spending in 2025/26 because of surplus funds retained with approval from National Treasury for cloud maintenance, software and equipment. Spending on compensation of employees is expected to account for 69 per cent (R190.6 million) of total expenditure over the MTEF period.

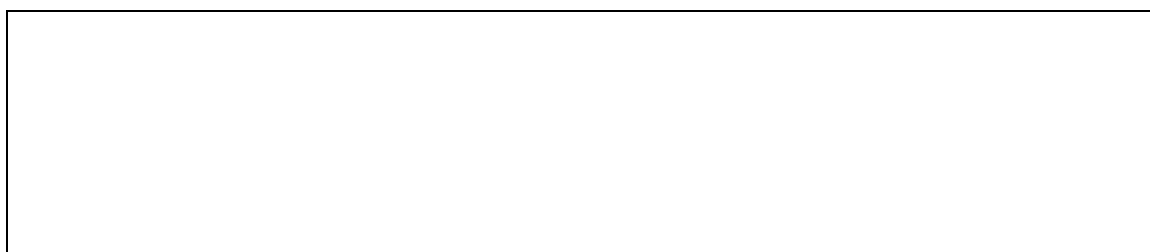


The Agency expects to derive its entire budget over the medium term through transfers from the Department. These are expected to increase at an average annual rate of 3.7 per cent, from R85.3 million in 2025/26 to R95.2 million in 2028/29.

4.3 Universal Service and Access Fund (USAF) – R57.2 million

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 people in underserved areas. It is managed by the Universal Service and Access Agency of South Africa and is financed by contributions from all telecommunications licensees except community broadcasting service licensees.

The Fund will focus on 2 priority projects over the medium term: broadcasting digital migration, and the deployment of broadband infrastructure and connectivity in public access facilities in underserved areas. These projects seek to bring broadband and broadcasting services closer to beneficiaries who would not be able to access them without financial support from the fund. To implement the broadcasting digital migration project, the fund will continue to subsidise indigent households that have applied and qualified for set-top boxes. This will continue to all Provinces, including the 5 Provinces in which the analogue signal has been switched off and the 4 priority provinces in which the switch-off has not yet concluded. The project will be funded through the retention of surplus funds, for which approval was granted by National Treasury in 2025/26, enabling R2.2 billion to be spent on these projects. Further approvals will be requested if required.



The Fund will also continue to construct and extend broadband network infrastructure in underserved areas identified by the Independent Communications Authority of South Africa. Over the medium term, R168.7 million is projected to be spent on these projects to provide a targeted 60 underserved areas with access to reliable digital communication, infrastructure and broadband services.

The sharp decrease in expenditure over the period ahead is due to the approved retention of surplus funds in 2025/26. The fund is expected to derive all of its revenue, amounting to an estimated R178 million over the medium term, through transfers from the Department. Revenue is expected to increase at an average annual rate of 3.7 per cent, from R55 million in 2025/26 to R61.3 million in 2028/29.

4.4 .ZADNA (Not funded from the fiscus)

ZADNA is a statutory, not-for-profit entity established in terms of Chapter X of the Electronic Communications and Transactions (ECT) Act, 2002 (Act No. 25 of 2002). Its constitutional mandate is delineated in Section 65 of the ECT Act, which includes:

- Management and administration of the .ZA namespace (the country-code Top-Level Domain for South Africa).
- .ZA policy, licensing, and regulation.
- Monitoring and compliance.
- Domain name awareness and education.
- Research and development.
- Presenting relevant policy recommendations to the Minister of Communications and Digital Technologies.

To implement innovative and enabling domain name regulations promoting security, transparency, and accessibility, cultivating a trustworthy and inclusive digital ecosystem for all South Africans and the global Internet community.

Legislative Framework

.ZADNA operates under a framework that includes:

- Electronic Communications and Transactions (ECT) Act (2002): Its founding and mandate-defining legislation.
- Protection of Personal Information Act (POPIA): Guides the handling of registrants' personal data.
- Cybercrimes Act: Provides the legal framework for addressing cybercrime within the .ZA namespace.
- Consumer Protection Act (CPA): Influences relationships with domain name registrants.

Alignment with National Priorities:

.ZADNA contributes to the National Development Plan (NDP) and the Medium-Term Development Plan (MTDP) 2025-2030 by:

- Inclusive growth and job creation: Promoting the .ZA domain as a trusted digital brand for businesses, particularly SMMEs, to participate in the digital economy.
- Reducing poverty and the high cost of living: Offering free or low-cost domain name registrations to schools, non-commercial entities, and targeted groups, thereby lowering barriers to online participation.
- Building a capable, ethical, and developmental state: Ensuring a secure and resilient .ZA namespace, which is critical infrastructure for a digital government and economy.

The projected revenue is based on expected growth in domain registrations and the updated registry operating agreement prices. The average number of commercial domain registrations is estimated at 1 439 900 for the budget period. According to the current registry operating agreement, the registration fee for the period 1 April 2026 – 30 September 2026 is R17.18, and R18.00 for 1 October 2026 – 31 March 2027, resulting in an average registration fee of R17.59. This is expected to result in a further 4 per cent increase in revenue, bringing total revenue to R25 327 841.

.ZADNA holds a long-term investment with Nedbank, with a capital amount of R12 million and an annual interest rate of 8.63 per cent. The investment will mature in April 2026. Upon maturity, a portion of the interest to be received (R4 329 701.03) will be

utilised to cover operational needs. The remaining interest and the capital amount will be reinvested.

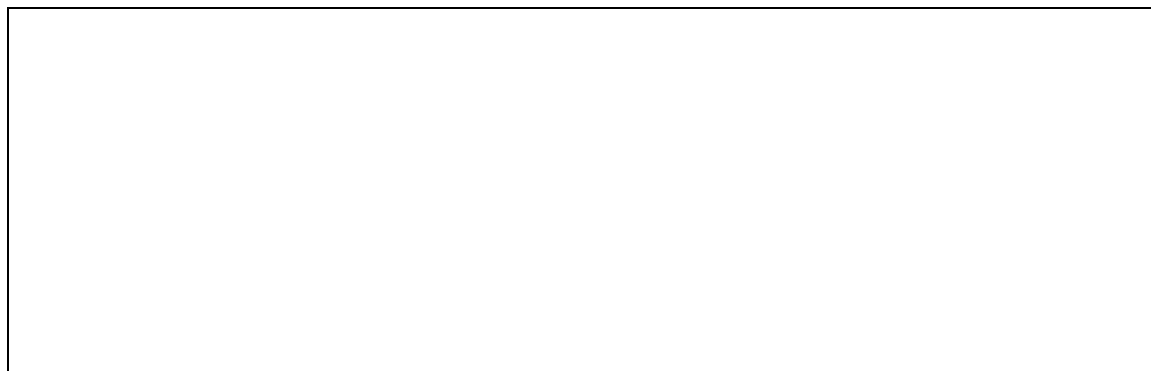
Rental costs for the 2026/2027 financial year are expected to increase by 7 per cent in line with ZADNA's lease agreement with SKG Properties. Taking into account the annual increase, the monthly rental is estimated at R130 860.58, resulting in an annual rental cost of R1 147 656.28.

Utilities are included in the rental costs, with an estimated average price of R28 979 per month for periods outside winter. During the winter period, the average monthly cost is estimated at R34 106.82. The total annual rental fee, including utilities, is therefore estimated to be R1 839 287.74.

4.5 South African Post Office (SAPO) – R2.5 billion

The South African Post Office is a schedule 2 public entity in terms of the Public Finance Management Act (1999) and derives its mandate from the Postal Services Act (1998), the South African Post Office SOC Ltd Act (2011) and South African Post Office SOC Ltd Amendment Act (2024). It was established to provide postal and related services to the public and has an exclusive mandate to conduct postal services. Its mandate makes provision for the regulation of postal services and the operational functions of the postal company, including its universal service obligations.

Over the medium term, the Entity will focus on providing universal access to postal and related services, particularly courier services, postal services, financial services and e-commerce. This will entail focusing on high-volume routes, expanding collection and delivery options, enabling assisted-digital services (such as identity, authentication, hybrid mail and payments), and expanding its motor vehicle licence disc renewal service. These activities, among others, are expected to enable it to exit business rescue over the medium term.



Total expenditure is projected to decrease at an average annual rate of 14.3 per cent, from R4.2 billion in 2025/26 to R2.7 billion in 2028/29, mostly due to lower depreciation due to less capital expenditure, and lower interest expenditure. Spending on compensation of employee's accounts for a projected 56.2 per cent (R4.3 billion) of total expenditure over the medium term, with transport, IT and property costs the other main drivers of spending. In line with the expected decrease in the number of personnel, from 6 046 in 2025/26 to 5 924 in 2028/29 as a result of natural attrition, spending on compensation of employees is expected to increase marginally, at an average annual rate of 0.3 per cent, from R1.48 billion to R1.49 billion over the same period.

Over the MTEF period, R1.9 billion is allocated to maintain 553 points of presence, in line with the Entity's universal service obligations.

The Entity's financial position is expected to improve over the medium term – its projected loss of R390.9 million in 2026/27 is expected to reduce to a R309 million loss in 2027/28 before improving to a profit of R20.9 million in 2028/29 as the entity implements the required initiatives to improve its financial performance.

The Entity derives its revenue from providing postal services and courier services, and from the fees it charges for financial transactions. Revenue is expected to decrease at an average annual rate of 7.8 per cent, from R3.4 billion in 2025/26 to R2.7 billion in 2028/29, due to the change in accounting treatment for interest income for the Post Office Pension Fund, which means that the interest expenses associated with the fund will not be recognised in the Entity's financial records as per the accounting guidelines.

The R2.5 billion allocation supports universal service obligations and post-business-rescue stabilisation, with declining expenditure over the outer years.


4.6 State Information Technology Agency (SITA) – R8.9 billion

The State Information Technology Agency was established through the State Information Technology Agency Act (1998) and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999).

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.

The National e-Government Strategy mandates the Agency to develop secure and user-friendly digital platforms that enhance citizen access to government services, improve transparency and streamline service delivery.

These platforms will ensure that citizens can interact with government services efficiently and securely, bridging the digital divide and promoting national connectivity. The Agency will therefore focus on scaling up connectivity and mobility services over the medium term by increasing its investment in digitalisation of government services to position government on an integrated platform. This will involve integrating and streamlining different government systems with the aim of transforming public services and improving citizen interactions with government. This will also enable interconnectivity between departments and connectivity to the Agency's cloud services and make consuming Internet services and transversal systems easier for departments.



As the implementation of strategic projects such as South Africa Connect, building secure cloud infrastructure, and the Gauteng Provincial Network broadband initiative to provide fast, affordable internet and free Wi-Fi is expected to require substantial capital investment, R2.3 billion over the MTEF period is earmarked for the acquisition of assets. As such, spending on goods and services accounts for an estimated 63 per cent (R19.4 billion) of total expenditure over the medium term, increasing at an average annual rate of 17.3 per cent, from R4.9 billion in 2025/26 to R7.9 billion in 2028/29, mostly for the provision of IT services. Spending on compensation of employee's accounts for an estimated 30.8 per cent (R9.5 billion) of total expenditure over the medium term as the agency requires highly skilled personnel. The Agency is in the process of filling vacancies to capacitate the business in line with its approved structure.

Revenue is generated by providing ICT infrastructure and services to government departments and other organs of state. It is expected to increase at an average annual rate of 14.1 per cent, from R8.6 billion in 2025/2026 to R12.7 billion in 2028/29, mostly due to a projected increase in the collection of service fees.

4.7 Broadband Infraco (BBI) – R956.4 million

Broadband Infraco is listed as a schedule 2 public entity in the Public Finance Management Act (1999). Its 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 bandwidth requirements are met for specific projects of national interests; and enable the state to provide affordable access to electronic communications networks and services.

Over the medium term, to solidify its market position, the entity aims to focus on expanding its fibre network, enhancing its business-to-business commercial model and further investing in network connectivity to establish a foundation for future growth for the Entity. To achieve this, acquisition of assets amounts to R329 million over the medium term, which will allow for a projected increase of 600 kilometres in the fibre network. It will also prioritise elevating and fast-tracking debt recovery to improve financial stability, and will renegotiate high fibre costs to optimise operational expenses.

Focus will be on upgrading network capacity and replacing obsolete equipment in 713 government facilities in 8 district municipalities in each year over the MTEF period that formed part of phase 1 of the South Africa Connect project to ensure network resilience, high-quality service and customer satisfaction. Funding for these investments will be sourced from the project's revenue and open markets.



Expenditure is expected to increase at an average annual rate of 7.6 per cent, from R878.3 million in 2025/26 to R1.1 billion in 2028/29, mainly due to an increase in spending on broadband services and depreciation linked to capital investments in infrastructure. The entity will fill critical vacancies to increase capacity and manage turnover rate of staff to ensure business continuity. As such, spending on compensation of employees is set to increase at an average annual rate of 5.5 per cent, from R161.9 million in 2025/26 to R190 million in 2028/29.

Revenue is expected to increase at an average annual rate of 12.8 per cent, from R538.7 million in 2025/26 to R773.9 million in 2028/28, mainly due to new contracts valued at R422 million over the period.

4.8 Sentech – R1.7 billion

Sentech derives its mandate from the Sentech Act (1996) and the Electronic Communications Act (2005) and is listed as a schedule 3B public entity in the Public Finance Management Act (1999). It is responsible for providing signal distribution services as a common carrier to licensed television and radio broadcasters. In 2002, following the deregulation of the telecommunications sector, Sentech was granted 2 additional licences, allowing the company to provide international voice-based telecommunications and multimedia services.

Sentech will focus on increasing revenue over the medium term by pursuing growth initiatives in connectivity businesses; managed infrastructure services (such as data centres and towers); partnerships and expansion through mergers and acquisitions; and expanding into new markets such as the Southern African Development Community and East Africa regions. The entity will focus on reducing operational costs and enhancing returns on capital investment and will implement several cost-containment measures to generate sufficient cash flow to meet future obligations.

Sentech will also continue to invest in core infrastructure such as its terrestrial transmission network and data centres to maintain its position as a leader in the industry. One of its projects over the medium term is the digital terrestrial television frequency migration, which involves migrating broadcasting from analogue to digital technologies, and ensuring that 99.8 per cent of households are covered by digital television infrastructure.

Capital expenditure, primarily funded through operating activities, and the acquisition of assets such as software and technical equipment, is expected to amount to R1.2 billion over the medium term.

Total expenditure is set to amount to R5.3 billion over the medium term, decreasing from R2.5 billion in 2025/26 to R1.8 billion in 2028/29, at an average annual rate of 10.1 per cent. This is due to one-off allocations from the Department amounting to R889 million for dual illumination, which is the cost of operating both digital and analogue systems due to the delay in switching off the analogue broadcasting signal (R189 million); and assistance with broadcast transmission costs (R700 million).



To support development capabilities in the long term, Sentech has strengthened strategic partnerships with academic institutions to build a sustainable pipeline of critical digital, engineering and leadership skills. As a result, spending on compensation of employees is projected to increase at an average annual rate of 3.9 per cent, from R519.6 million in 2025/26 to R582.1 million in 2028/29, in line with the projected increase in personnel from 425 to for 485 over the same period.

The Entity expects to derive 97 per cent (R5.2 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.

Revenue is expected to decrease at an average annual rate of 9.8 per cent, from R2.5 billion in 2025/26 to R1.9 billion in 2028/29, due to additional allocations provided in 2025/26.

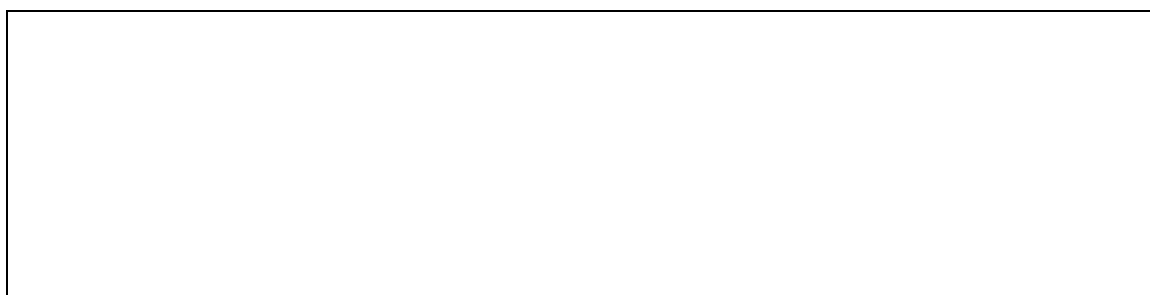
4.9 South African Broadcasting Corporation (SABC) – R7.2 billion

The South African Broadcasting Corporation derives its mandate from the Broadcasting Act (1999) and is listed as a schedule 2 public Entity in terms of 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 various news channels, information and analysis perspectives; and advance national and public interests through popular sports. It is charged with aligning with the democratic values of the Constitution and enhancing and protecting the fundamental rights of the people of South Africa.

Over the medium term, the Corporation will focus on revenue generation initiatives that will include the optimisation of the SABC+ digital platform, and partnership agreements in its efforts to improve its financial sustainability and address going concern challenges. The Corporation will also focus on digital transformation to take advantage of new platforms and emerging technologies. This will include using artificial intelligence, exploring new strategic partnerships, maximising revenue from its content library and repositioning its image by building public confidence to make it a media platform of choice for all stakeholders. Through these measures, the Corporation aims to attract a 24 per cent of prime-time ratings for SABC1 and an 8 per cent share for SABC2 by 2028/29.

Total expenditure is projected to increase at an average annual rate of 5.6 per cent, from R6.7 billion in 2025/26 to R7.9 billion in 2028/29. Spending on content acquisition is set to increase by 13 per cent over the medium term, and spending on compensation of employees at an average annual rate of 6.2 per cent over the same period, from R2.3 billion in 2025/26 to R2.8 billion in 2028/29, as the vacancy rate of 20 per cent is reduced and cost-of-living adjustments are budgeted for. Other notable increases in expenditure over the medium term will be broadcasting costs (by 35 per cent, from R515.7 million in 2025/26 to R696.1 million in 2028/29), marketing (by 23 per cent, from R132.6 million in 2025/26 to R179.1 million in 2028/29) and direct licence collection costs (by 25 per cent, from R89.9 million in 2025/26 to R121.3 million in 2028/29) as the marketing of new content and TV licence payment follow-ups will be intensified. This is expected to have a positive impact on revenue.

The R7.24 billion expenditure reflects content delivery, broadcasting infrastructure, and digital migration, with growth driven by personnel, content acquisition, and transmission costs.

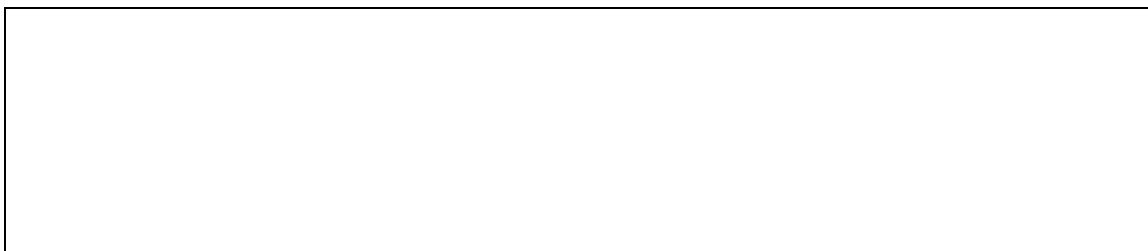


An estimated 76.9 per cent (R17.4 billion) of the Corporation's projected revenue over the period ahead is expected to be generated from commercial activities, and the balance through television licence fees and transfers from the Department. Total revenue is expected to increase at an average annual rate of 6.4 per cent, from R6.6 billion in 2025/26 to R7.9 billion in 2028/29, mainly due to the increased collection of licence fees, and revenue derived from sponsorships and advertising.

4.10 Independent Communications Authority of South Africa (ICASA) - R678 million)

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, and is listed as a schedule 1 public entity in the Public Finance Management Act (1999). The regulator's mandate is defined in the Electronic Communications Act (2005) as licensing and regulating electronic communications and broadcasting services, and in the Postal Services Act (1998) as regulating the postal services sector. Enabling legislation also empowers the regulator to monitor compliance of licensees with terms and conditions, develop regulations for the 3 sectors, plan and manage the radio frequency spectrum, and protect consumers in relation to these services.

Over the medium term, the Regulator will continue to focus on licensing high-demand spectrum, including through auction, for which surplus funds have been approved for retention by National Treasury. The Regulator anticipates this to take place in 2026/27. Total expenditure is projected to increase from R661.7 million in 2025/26 to R732.9 million in 2028/29, at an average annual rate of 3.5 per cent.



The Regulator has budgeted for deficits over the medium term to implement regulatory projects such as the licensing of high-demand spectrum, as well as procuring ICT equipment and services for the regulator, to be funded through the approved retained surplus.

Spending on compensation of employees is set to account for 60 per cent (R1.3 billion) of total expenditure, increasing at an average annual rate of 4.3 per cent, from R389.3 million in 2025/26 to R442.1 million in 2028/29.

The Authority expects to receive 92.2 per cent (R1.6 billion) of its revenue over the medium term through transfers from the department and the balance through other income such as interest.

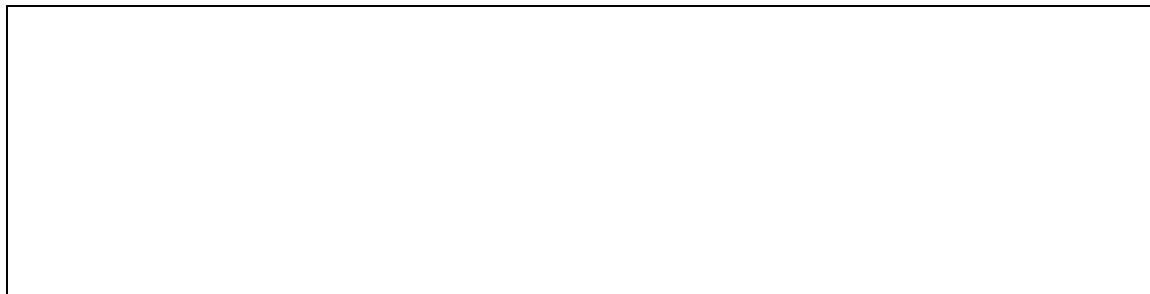
4.11 The Film and Publication Board (FPB) – R132 million)

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 has assumed a regulatory mandate, with powers 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.

Over the medium term, the Board will focus on its ICT modernisation and digital strategy, which will involve implementing its digital transformation roadmap and leveraging artificial intelligence-driven monitoring systems and platform surveillance tools to enhance industry compliance. This is expected to allow for 90 per cent of child sexual abuse and exploitation material cases to be assessed per year, and 95 per cent of enforcement actions to be instituted against noncompliant content distributors per year. Core to this strategy, for which R26 million is allocated over the medium term, is the renewal of software licences, the maintenance of digital infrastructure, and upgrades to regulatory technology to sustain operational continuity and regulatory effectiveness.

The Board will also invest in governance structures, including external and internal audit, council and committee systems, and risk management, which will ensure a high-performing governance environment; and in research initiatives, industry studies and stakeholder engagements to support evidence-based policymaking. These activities will be funded through an allocation of R150.4 million in goods and services over the medium term.



Compensation of employee's accounts for an estimated 63.8 per cent (R265.4 million) of the board's budget over the medium term. Total expenditure is set to increase from R126.3 million in 2025/26 to R144.4 million in 2028/29 at an average annual rate of 4.6 per cent.

The Board expects to derive 83.9 per cent (R348.8 million) of its revenue over the period ahead through transfers from the Department and the remainder through self-generated revenue, primarily through licensing, classification and regulation fees. Revenue is set to increase in line with expenditure.

4.12 Postbank

Postbank derives its mandate from the South African Postbank Limited Act, No. 9 of 2010 (as amended), which mandates it to sustainably promote financial inclusion within society, particularly in rural and lower-income markets, including communities with limited access to retail banking services.

While Chapter 6 of the PFMA provides for the scheduling or listing of all public entities, Postbank is yet to be listed, and this follows its separation from SAPO, a Schedule 2 public entity. As a former subsidiary of a Schedule 2 public entity, Postbank continues to operate as though it is also one.

The process to list Postbank as a scheduled public entity is in progress, as led by the Shareholder Department of Communications and Digital Technologies (DCDT).

The Entity plays a critical role in advancing the government's social and economic objectives by providing accessible, affordable financial services, including responsible lending, to South Africa's unbanked and underserved communities. It is a key agent for the distribution of social grants and other government payments.

Postbank's corporate strategy is anchored on the strategic intent of delivering on the business' dual mandate (social and financial) of promoting financial inclusion (within society and particularly in rural and lower-income markets, including communities with limited access to retail banking services) in a financially sustainable manner. Over the next five years Postbank aims to become a self-sustaining, fully modernised financial institution with secure operations and a compelling value proposition for government entities, individuals and businesses.

Postbank's planned annual performance for the 2026/27 financial year is geared towards ensuring that the objectives of the 'build and organic growth' phase are fully realised within the set period of 18 to 24 months. Accordingly, the plan is defined in terms of the output activities whose successful implementation and realisation are expected to drive the achievement of the bank's identified strategic objectives.

Ensuring Postbank's financial sustainability is fundamental to its continued existence and relevance within the banking sector and as a critical part of the government's arsenal of service delivery agents. As a customer-centric organisation, the Bank's strategic objectives are geared towards enhancing the internal control environment and operational efficiency to create value for its customers and employees.

In the most recent financial year, Postbank achieved a statutory profit of R75 million. However, this profit was subsequently eroded by tax implications arising from a retrospective audit adjustment, which required the bank to restate financial figures from five prior years. Despite never having received direct government funding for its operations, Postbank returned R107 million to the fiscus, demonstrating its ability to contribute to government finances. This profit and dividend were cited as evidence of the

bank's operational capability, particularly in managing large-scale grant disbursements without interruption for two consecutive years.

The interest income budget is derived from projected investment balances (net available liquid assets from equity & deposits after Capex and Opex requirements), product mix and market rates. A key assumption to highlight in this regard is in respect of capital injections by the shareholder of R300 million in financial year 2026 (effectively "funding" the acquisition & roll out of systems and channels) and R2 billion in financial year 2027 (estimated requirement for successful application for banking licence).

The overall deposit growth assumption of 5 per cent is projected across all products, translating to an estimated increase of approximately R470 million over financial year 2026 forecast.

The financial plan is based on several key assumptions, including:

- **Capital Injection:** The most critical assumption is the receipt of R300 million in FY2026/27 and R2 billion in FY2027/28 from the shareholder to fund system rollout and meet the capital requirements for a banking licence.
- **Interest Rates:** The plan assumes a declining repo rate, with 25bps cuts expected in July and November 2026. This is projected to lower yields on investments.
- **Deposit Growth:** A 5% deposit growth is assumed across all products as new customer channels are launched.
- **Credit Costs:** An improvement in Land Bank's credit rating is expected to result in a significant reduction (R54.4 million credit) in Expected Credit Loss (ECL) provisions.

- **Operating Expenditure:** A significant increase in operating expenses is planned to invest in people (5-7% headcount increase), IT systems (Integrated Modern Banking Solution), and operational capability.

The Bank is expected to initially report a loss over the current Medium-Term Expenditure Framework (MTEF) period, primarily due to increased operational costs associated with the issuance of debit cards to all its clients, the acquisition and launch of systems and customer channel infrastructure as the bank seeks to improve its basic service offering to its customer base. To stabilise and strengthen operations, the bank has launched several key initiatives, including investments in human capital to develop critical skills and the enhancement of its information technology capabilities.

5. Committee Observations

5.1 The Department

Having considered the APP of the Department, the Committee noted:

- and welcomed the presentations;
- with appreciation that the Department's 2026/27 APP is more outcome-based and measurable than in previous years;
 - that there evidently is a strong policy and regulatory focus for the financial year (EC Amendment Bill, AI policy, online safety);
- however, that there is weak coordination to support policy objectives, consistent funding constraints and legislative bottlenecks with a negative impact across Entities;
- with concern that delays of board appointments and permanent executive officials causes instability and compromises service delivery;
 - with frustration the persistent vacancy rate in funded critical technical posts poses a material risk to service delivery risk;
- that generally, there is a fragmented approach to the implementation of Digital Public Infrastructure, and associated funding support;

- with serious concern of the continued and fragmented State fibre digital infrastructure, particularly fibre assets across Eskom, Transnet, BBI, Sentech, and SANRAL;
- that there is weak evidence of job-creation and SMME impact supported by the digital economy interventions;
- that the rationalisation of BBI and Sentech lacks concrete timelines and decision points and will lead to operational inefficiencies and fiscal risks;
- that while budget allocations to the Department have increased, the Committee remains concerned about persistent gaps between expenditure and tangible service delivery outcomes;
- with great concern that budget reductions have a negative impact on service delivery across the portfolio and particularly threaten:
 - ICASA’s regulatory effectiveness;
 - SABC sustainability and capacity ahead of Local Government Elections;
 - Sentech and SA Connect delivery;
- with great concern that the continued financial distress of Sentech and SABC poses systemic risk to the broadcasting and election environment;
- that oversight of Entities via Shareholder Compacts has improved in design but remains weak in monitoring and enforcement;
- with concern that skills implications of newly developed policies are not always translated into structured training pipelines as provided by NEMISA;
- that the sustainability of Postbank is directly linked to the stabilisation of SAPO;
- that regulatory bodies (ICASA, FPB) oversee complex digital environments, but regulated Entities and ordinary users often lack digital and regulatory literacy; and
- with concern that enforcement is reactive, with limited preventative education.

5.2 ICASA

Having considered the APP of ICASA, the Committee noted:

- with concern that the 2026/27 APP remains heavily process- and document-driven,
- that the spectrum licensing processes remain slow, limiting SMME participation and broadband expansion;

- that the articulation of how regulatory interventions reduce data costs, improve competition and expand rural access is not evident;
- with great concern that ICASA remains structurally underfunded thereby undermining enforcement capacity in a complex, fast-evolving digital market;
- that emerging risks such as AI, OTT platforms and misinformation are acknowledged but insufficiently addressed in regulatory terms; and
- with concern that transformation indicators (women/youth procurement) appear to be declining rather than improving.

5.3 SABC

Having considered the APP of the SABC, the Committee noted:

- with great concern that the unfunded public mandate exceeds R7 billion over MTEF;
- with relief that the losses have reduced significantly; solvency restored; unqualified audits achieved, but cash constraints yet remain;
- however, with serious concern that SABC infrastructure remains at end-of-life and poses a risk on digital transformation and universal access to broadcasting services;
- with great anticipation that the SABC+ digital platform is strategically positioned as a core to the future of public broadcasting, shows growth but monetisation strategy is not yet mature;
- that archive content and property assets are under-monetised yet have potential for great value;
- that the current funding model and regulatory frameworks lag market realities;
- with further concern that advertising revenue constrained by market fragmentation and OTT competition;
 - with serious concern that the SABC funding model and Bill remain long overdue creating sustainability uncertainty;
- with great concern that the SABC to Sentech debt remains unresolved and threatens sustainability of both Entities;
- with serious concern that over reliance on commercial revenue may compromise editorial independence despite safeguards; and

- that the SABC requires new skills sets for digital content production, platform broadcasting and archives commercialisation.

5.4 USAASA/USAF

Having considered the APPs of USAASA/USAF, the Committee noted:

- that USAASA/USAF are positioned as funding mechanisms, yet often operate without sufficiently binding delivery partnerships;
- with concern that there is low project delivery with USAASA effectively funded only one Entity (BBI) during the previous year, this raises concerns about relevance and reach;
- that high personnel cost share of almost 69% limits programme funding and delivery impact;
- with concern that there is no inter-Entity collaboration, especially coordination with SITA as an ICT enabler and there's hardly integration with Sentech and BBI;
 - that collaboration with delivery and regulatory Entities is inconsistent and informal, limiting value for money from public funds;
- with concern that there is lack of clarity nor urgency regarding the transition of USAF into a Digital Development Fund (DDF);
- with serious concern about contract and grant management weaknesses, including limited contract monitoring systems;
 - in practice, USAF interventions are weakly integrated with implementing Entities, resulting in:
 - fragmented project design;
 - limited sustainability;
 - weak developmental outcomes;
- with concern that there is insufficient impact visibility in rural connectivity for digital inclusion, despite the clear mandate; and
- that skills development, infrastructure maintenance, service uptake services are often excluded from funded projects.

5.5 SITA

Having considered the APP of SITA, the Committee noted:

- with concern that SITA currently operates without a duly appointed Board, which presents a significant governance and oversight risk, and undermines executive accountability;
- that SITA is the central ICT delivery and procurement Agency for government, yet collaboration with other Portfolio Entities is often transactional rather than strategic;
 - that the lack of strategic coordination contributes to:
 - duplicated digital platforms and infrastructure;
 - inconsistent standards; and
 - delayed service delivery to departments and citizens;
- with concern that several Entities rely on parallel systems or external providers, reducing economies of scale and undermining SITA's coordinating role;
 - that where collaboration exists, it is often project-specific, without shared indicators or joint accountability;
- with great concern that while the Presidency drives the Digital Public Infrastructure (DPI) agenda, and SITA implements systems, alignment between policy intent of the Department and implementation sequencing is non-existent; and
 - with concern that Departments continue to develop siloed systems, undermining DPI objectives.

5.6 SAPO

Having considered the APP of SAPO, the Committee noted:

- with concern that while SAPO is exiting Business Rescue, it still lacks permanent leadership and a board;
 - with greater concern that SAPO remains in severe financial distress, with ongoing liquidity and solvency challenges;
- with concern that revenue streams continue to decline due to structural shifts away from traditional mail services;

- with some relief that the Business Rescue process stabilised some operations but had not yet produced a sustainable long-term turnaround;
- with serious concern however that staff morale and labour relations remain fragile following retrenchments and unpaid obligations;
- that SAPO has a strong potential in logistics, parcels, and digital trust services, granted its property portfolio is improved;
- that the property portfolio remains extensive but under-utilised and costly, particularly in low-traffic areas;
 - that there is lack of security and invasions have been reported at some branches;
 - caution against overreliance on assumptions of future partnerships and infrastructure upgrades;
- that SAPO's role in government service delivery (grants, IDs, permits) is strategically important but requires operational reliability;
- and welcome the 129 partnership proposals received by SAPO even though implementation is delayed;
- that infrastructure is outdated thereby constraining revenue probabilities; and
- with concern that delays in infrastructure modernisation and commitment to digital transformation limits competitiveness and public confidence in SAPO.

5.7 Postbank

Having considered the APP of Postbank, the Committee noted:

- and welcomed the clear strategic focus as a digital-first, State-owned bank for financial inclusion, however is still behind competitors;
- however, that delays in obtaining a full banking licence continue to constrain strategic expansion;
- and welcome the proven capability of uninterrupted grant payments;
- with concern that funding constraints will limit infrastructure investment;
- with serious concern that SASSA owes PostBank over R100 million;
- and welcome the report that card distribution is ahead of schedule;
- that there are indications of staff fatigue and capacity shortages;

- with concern that Postbank still has no permanent head office because of persistent procurement delays;
- that Postbank has made progress toward institutional independence, but complete operational separation from SAPO remains incomplete;
- with concern that governance instability persists, including concerns about board continuity and executive capacity;
- with concern that the Bank remains highly dependent on grant-related accounts, with limited product diversification;
- ICT and core banking system constraints pose operational and reputational risks; and
- that while the financial inclusion mandate is clear, measurable impact on rural and township communities is insufficiently demonstrated.

5.6 Sentech

Having considered the APP of Sentech, the Committee noted:

- with concern that dual-illumination costs persist due to indefinite delays in Analogue Switch-Off (ASO) and place sustained pressure on Sentech's operating expenses;
- with serious concern that the high exposure to SABC debt is materially affecting cash flow and sustainability of Sentech;
 - and welcome the mediation and arbitration processes with the SABC;
 - however failure to resolve this creates a systemic risk for the broadcasting ecosystem;
- the continued reliance on legacy broadcasting revenue with slow-paced diversification strategies;
 - and welcome the new growth areas (towers, broadband, data centres, partnerships) although not yet yielding material revenue;
- that dependency on National Treasury support remains a concern for long-term sustainability; and

- with concern that growth targets in the APP and over the MTEF are flat, signalling limited ambition in network expansion and new services.

5.9 .ZADNA

Having considered the APP of .ZADNA, the Committee noted:

- that .ZADNA is the custodian of South Africa's country-code top-level domain (.za) and a critical part of national digital infrastructure, yet collaboration with other Portfolio Entities is largely limited to awareness activities;
- that while there is strong focus on awareness campaigns, there is limited evidence of measurable impact or behavioural change;
- with concern that domain governance, digital identity, cybersecurity and online trust are cross-cutting concerns, but are not sufficiently integrated into:
 - government digital platforms;
 - connectivity rollout;
 - media and content ecosystems;
- with more concern that weak collaboration limits the State's ability to:
 - promote local digital presence;
 - protect users from cyber threats;
 - and leverage domains for economic inclusion and SME growth;
- that policy initiatives do not consistently incorporate domain governance, DNS security and digital identity considerations;
- that fragmented naming conventions and multiple domains confuse users and increase phishing risk;
- that while the public and community media is increasingly reliant on digital platforms, barriers to domain adoption undermine sustainability and growth of sector;
- with concern that the registrar compliance target of 60% is too low for a national digital infrastructure authority;
- that digital inclusion targets are extremely limited in scale;

- with concern that a high proportion of expenditure is allocated to employee costs, while capital investment (CapEx) in infrastructure and cybersecurity remains low; and
- welcome the positive progress on DNS security and cyber-threat mitigation, but warn that public reporting on threats and responses is limited.

5.10 BBI

Having considered the APP of BBI, the Committee noted:

- with great concern that the ECS licence delays hamper competitiveness for BBI;
- with concern that the BBI mandate overlaps significantly with other State-owned digital infrastructure Entities (Sentech, Eskom, Transnet), resulting in duplication and fragmentation;
- that revenue growth remains constrained by limited client diversification and slow uptake by government and SOEs;
- with great concern that the dependence of BBI on transfers and guarantees suggests weak commercial sustainability;
- that delivery impact is not clearly demonstrated for the strategic role of BBI in SA Connect which can allow national backbone expansion; and
- with great concern that the rationalisation discussions with Sentech lack concrete options, timelines and decision points.

5.11 NEMISA

Having considered the APP of NEMISA, the Committee noted:

- that NEMISA'S mandate to advance digital skills, media literacy and Fourth Industrial Revolution (4IR) capabilities is appropriate and increasingly relevant.
- however, with concern that the training volumes too small relative to national digital skills needs;
- that there is weak tracking of post-training employment outcomes;
- that while digital platforms and e-learning tools exist, the scale and reach remain constrained;

- with concern that training outputs are primarily reported in participant numbers, with limited evidence of employment outcomes or skills absorption;
- that there is an over-reliance on partnerships without clear value realisation;
- that there appears to be an overlap and fragmentation between NEMISA, the e-Skills Institute, universities and other public training initiatives, with limited or no coordination;
- with more concern that NEMISA's mandate on digital skills, media literacy and future skills intersects directly with the mandates of several Portfolio Entities, yet collaboration remains informal, ad hoc or under-developed;
 - that multiple entities report training, awareness or capacity-building activities, but with:
 - limited coordination;
 - overlapping target groups;
 - and inconsistent outcome measurement;
 - that weak collaboration reduces the ability of the portfolio to demonstrate:
 - job creation;
 - youth empowerment;
 - and SMME development linked to digital investments;
- with concern that vacancy rates and limited specialist capacity affect programme design and delivery quality;
- with concern that budget limitations restrict expansion into emerging skills areas such as AI, cybersecurity, data analytics and platform production;
- with great concern that skills development is often treated as a stand-alone intervention, rather than being embedded into infrastructure rollout, broadcasting, regulation and digital-inclusion programmes;
- with concern that while NEMISA trains media practitioners, placement and absorption into public broadcasting remains limited; and
- that there is no integrated national media-literacy framework, especially for rural and township communities.

5.12 FPB

Having considered the APP of FPB, the Committee noted:

- with concern that Child Sexual Abuse Material cases take too long to resolve given the severity and urgency of harm;
- that the enforcement outcomes are not clearly linked to deterrence measures;
- that the FPB mandate has expanded significantly to cover online platforms, streaming services and social media, without a commensurate increase in funding and capacity;
- with more concern that the heavy reliance on manual content analysis places staff under severe emotional strain and limits throughput;
 - with comfort however, that digital transformation and AI-enabled monitoring tools are implemented albeit partially;
- that a high proportion of expenditure is allocated to personnel costs, limiting operational and technological expansion; and
- with concern that self-generated revenue (classification and licensing fees) remains insufficient to sustain the growing mandate.

6. Committee Recommendations

6.1 The Department

The Committee recommends that the Minister should:

- develop and present a national State Fibre Consolidation Framework (inclusive of Eskom, Transnet, BBI, Sentech) – by 2027/28 financial year;
- develop and present a State Digital Infrastructure Consolidation Framework (fibre, towers, data centres), including Eskom, Transnet, BBI and Sentech – by 2027/28 financial year;
- Department must ensure alignment with the Presidency on the implementation of DPI;
- fill all funded critical technical and regulatory vacancies (SMS & specialist posts) – in the following Parliament term upon adoption of this report;

- table a revised BBI–Sentech rationalisation framework (on merger, holding structure or separation of mandates), with cost–benefit analysis – within 6 months of adoption of this report;
- address digital, ICT, and broadcasting risks associated with upcoming Local Government Elections. Given previous system failures affecting electoral processes, the Committee expects the Department to reflect coordinated mitigation plans involving SITA, SABC, ICASA, and coordination with GCIS;
- submit a budget-impact mitigation plan highlighting risks to upcoming elections, especially for the SABC and ICASA – as a matter of urgency upon adoption of this report;
- present a Portfolio-wide SOE performance monitoring framework for shareholder compacts – within 4 months of adoption of this report;
- with a verified national Wi-Fi sites audit, provide a report addressing duplication and quality of service – within 4 months of adoption of this report;
- urgent table a budget-risk mitigation plan outlining the impact of baseline reductions on regulation, broadcasting and elections – within 2 months of adoption of this report;
- ensure that FPB and ZADNA shift decisively from activity-based reporting to impact-based reporting, particularly in areas affecting:
 - child protection;
 - cybersecurity;
 - digital inclusion;
 - and provide quarterly written progress updates against these recommendations to the Committee;
- establish a Portfolio Digital Skills Coordination Framework, with NEMISA as the central implementing skills Entity, with:
 - clear collaboration plans,
 - joint indicators,
 - and shared reporting across Entities – i.e:
 - with SABC for training, internships and content production for SABC+ including community content;

- integration of archives digitisation and content monetisation skills into NEMISA’s curriculum, aligned with SABC needs;
- all major DCDT digital programmes (SA Connect, AI policy, online safety) include a mandatory skills-development component delivered through NEMISA;
- a National Media and Digital Literacy Programme, combining GCIS reach with NEMISA training capacity;
- training of community media practitioners and government communicators through NEMISA;
- joint regulatory-literacy programme led by NEMISA, supporting ICASA and FPB mandates;
- all major infrastructure projects (SITA, BBI, Sentech) include NEMISA-led local skills and training components;
- present to the Committee the Portfolio Digital Skills Coordination Framework within a year of adoption of this report;
- ensure the SABC and Sentech debt resolution, funding stability and ASO progress is reported during quarterly reportings;
- guarantee that the Department transforms decisively from policy intent to demonstrable impact, particularly on rural connectivity, digital inclusion, job creation, and election readiness;
 - provide quarterly progress updates;
- ensure quarterly reports of Sentech and BBI also focus on:
 - debt and cash-flow stability;
 - infrastructure utilisation;
 - progress toward rationalisation;
- ensure quarterly reports from Postbank and SAPO on:
 - operational separation;
 - financial sustainability; and
 - service-delivery impact on vulnerable communities.

6.2 ICASA

The Committee recommends that the Minister should:

- ensure that ICASA introduce clearer outcome-based KPI framework shifting from activities completed to outcomes achieved (especially regulatory indicators such as relating to data affordability, competition, rural inclusivity);
 - revise with aim to improve transformation targets for women and youth procurement;
- closely monitor ICASA’s remedial action plan to improve audit outcomes and achieve a clean audit – within 6 months adoption of this report;
- ensure that ICASA publish a clear spectrum release roadmap that prioritises SMMEs and underserved areas – within 6 months of adoption of this report;
- finalise and submit a sustainable ICASA funding business case to National Treasury and Parliament – within 6 months of adoption of this report;
- endeavour to develop, strengthen the implementation of AI/OTT regulatory interventions, not just research;
- strengthen enforcement reporting by publishing the number, nature and outcomes of enforcement actions – report to the Committee immediately upon adoption of this report; and
- ensure that ICASA present to the Committee a regulatory readiness plan for the 2026 Local Government Elections – immediately upon adoption of this report.

6.3 SABC

The Committee recommends that the Minister should;

- ensure the SABC funding model is finalised and urgently submit inputs to the Committee;
- ensure that SABC present on:
 - SABC+ monetisation strategy (advertising, tiered access, partnerships & data-zero rating) – within 6 months;
 - strategy to address OTT competition, balancing between the public mandate and commercial sustainability;

- Sentech debt settlement roadmap with a binding settlement plan;
- expansion of archive commercialisation partnerships (local & global) with revenue targets;
- ensure that the above recommendations are implemented within 6 months of adoption of this report;
- ensure the SABC strengthens reporting on measures to safeguard editorial independence in lieu of advertising revenue; and
- provide the Committee with quarterly updates on SABC financial performance and debt management – starting within 6 months of adoption of this report.

6.4 SAPO

The Committee recommends that the Minister should:

- urgently appoint the Board and a permanent CEO, CFO and COO;
- strengthen governance by ensuring Board stability and effective shareholder oversight;
- table a post-business-rescue sustainability plan, with clear revenue, cost-containment and funding assumptions;
- rationalise the branch network, balancing universal access with financial sustainability;
- ensure SAPO accelerate digital and operational modernisation (tracking systems, automated sorting, customer platforms);
- ensure SAPO diversify revenue by expanding e-commerce logistics, government service delivery and last-mile services;
- ensure SAPO submit a workforce stabilisation and skills-retraining plan, including labour-relations interventions and responses to recommendations made by the Committee on staff matters;
- ensure SAPO accelerate digital and operational modernisation (tracking systems, automated sorting, customer platforms); and
- set and closely monitor SAPO remedial action plan to improve audit outcomes and achieve a clean audit.

The Committee will endeavour to schedule quarterly progress reports on turnaround implementation, liquidity and service-delivery performance of SAPO, including the all recommendations of this report.

6.5 Postbank

The Committee recommends that the Minister should:

- secure capitalisation solution (Treasury or alternatives);
- stabilise governance by filling all critical Board and executive vacancies, report regularly to the Committee;
- urgently provide a time-bound, legally informed litigation and debt-resolution plan, including realistic milestones aligned to court processes, rather than committing to timelines that may not be legally achievable;
- finalise head-office accommodation (engage the Public Works or Post Office) – within 2 months of adoption of this report;
- ensure that Postbank upgrade the core banking and cybersecurity systems to ensure resilience and regulatory compliance;
- ensure that Postbank rolls out new products regulated under the FSB licence;
- ensure that Postbank implement a product diversification strategy (low-cost savings, micro-credit, digital payments) to reduce reliance on SASSA grant accounts;
- ensure that Postbank submit a clear roadmap and timeline for obtaining a full banking licence – within 3 months of adoption of this report;
- ensure that Postbank finalise operational and systems separation from SAPO – within 6 months of adoption of this report; and
- ensure that Postbank develop and submit a report on financial-inclusion impact indicators (in terms of accounts opened, usage, rural and township reach) – within 6 months of adoption of this report.

6.6 USAASA/USAF

The Committee recommends that the Minister should:

- ensure that USAASA and USAF shift reporting from activity counts to measurable developmental and service-delivery outcomes;
 - ensure that quarterly reporting explicitly shows how each programme reduces the digital divide.
- submit a status report about the transition to the Digital Development Fund (policy, governance, funding model) – within 6 months of adoption of this report;
- ensure that the Fund publishes a national call for USAF funding applications with clear eligibility and selection criteria;
- present a delivery-focused USAF funding framework prioritising rural schools, clinics and community broadband – within 4 months of adoption of this report;
- ensure that USAASA implements a contract and grant management system – within 12 months (with a progress report at 6 months) upon adoption of this report;
- reduce personnel-to-programme expenditure ratio by reallocating funds to delivery projects – before next reporting period;
- formalise collaboration agreements with SITA, Sentech and BBI to eliminate duplication and align rollout – within 6 months of adoption of this report;
- ensure all USAASA-funded sites use SITA-approved systems and support models; and
- introduce shared maintenance and cybersecurity support for community access sites.

6.7 SITA

The Committee recommends that the Minister should:

- urgently appoint a permanent Board for the Agency;
- require all new government digital platforms to comply with SITA-endorsed interoperability and security standards, overseen by DCDT;
- consolidate government web hosting, content management and analytics platforms under SITA infrastructure, in partnership with GCIS;

- introduce a shared digital engagement dashboard combining GCIS communication reach with SITA analytics capacity;
- develop a SITA–SABC digital infrastructure partnership, prioritising hosting, cybersecurity and data management for public broadcasting platforms;
- support SABC archives digitisation and monetisation with shared infrastructure services;
- provide shared regulatory ICT platforms (licensing systems, monitoring dashboards) through SITA – for ICASA and FPB;
 - present to the Committee a SITA collaboration framework before the end of financial year 2026/27;
- complete and roll out the automated supply-chain and procurement system pilot – within 6 months of adoption of this report;
 - report to the Portfolio Committee on root causes for procurement delays and corrective actions – within 4 months of adoption of this report;
- shift reporting from activity counts to measurable developmental and service-delivery outcomes; and
 - quarterly reporting to the Committee should explicitly show how each programme reduces the digital divide.

6.8 Sentech

The Committee recommends that the Minister should:

- as a shareholder, endeavour to resolve SABC debt through mediation/arbitration and table the settlement roadmap with a binding settlement plan (recovery and cash-flow stabilisation) – within 6 months of adoption of this report;
- urgently finalise and publish the ASO date including a dual-illumination roadmap with cost mitigation measures – provide a report to the Committee within 3 months of adoption of this report;
- ensure the Board submit an updated financial sustainability and going-concern plan, reflecting realistic debt-recovery assumptions – within 6 months of adoption of this report;

- accelerate revenue diversification strategy (towers, broadband, cloud, partnerships); and
- ensure Sentech revises network expansion targets to show incremental growth across the MTEF, with emphasis on rural access, and submit the revised targets – within 3 months of adoption of this report.

6.9 .ZADNA

The Committee recommends that the Minister should:

- ensure .ZADNA increases registrar compliance targets and supported by stronger enforcement measures, resubmit – within 3 months of adoption of this report;
- ensure .ZADNA rebalance the budget to increase Capex investment in DNS infrastructure and cybersecurity resilience;
- ensure .ZADNA expands digital identity and Domain-Name support programmes prioritising townships, rural communities and schools;
- ensure .ZADNA reduces incident resolution timelines to a maximum of 30 days through process and system improvements;
- ensure .ZADNA introduces measurable impact indicators for awareness initiatives (uptake, usage, behavioural change);
 - and publish an annual cyber-threat and DNS security report, detailing incidents, risks and mitigation actions – within 6 months of adoption of this report; and
- provide the Committee with a detailed breakdown of legal costs and litigation drivers – within 3 months of adoption of this report.

6.10 BBI

The Committee recommends that the Minister should:

- ensure BBI finalises the ECS licence acquisition and fibre access agreements – within 6 months of adoption of this report;
- table clear rationalisation options for BBI, including merger or integration with Sentech or a holding-company model – within 6 months of adoption of this report;

- ensure BBI submits a revised commercial strategy focused on demand aggregation from government, SOEs and anchor tenants – within 6 months of adoption of this report; and
- ensure BBI develops and present BBI’s input to the National State Fibre Consolidation Framework, clarifying BBI’s role within the broader digital infrastructure ecosystem – within 6 months of adoption of this report.

The Committee implores the Minister to strengthen and normalise reporting on SA Connect and backbone rollout impact, focusing on sites connected and related socio-economic outcomes.

6.11 NEMISA

The Committee recommends that the Minister should:

- fill critical technical and programme-design vacancies to stabilise delivery capacity;
- ensure NEMISA submit a clear outcome-based skills impact framework, linking programmes to employment, entrepreneurship and internships – within 4 months of adoption of this report;
- ensure NEMISA present a national coordination framework clarifying NEMISA’s role relative to other public digital-skills initiatives – within 6 months adoption of this report;
 - ensure alignment of training programmes with identified labour-market skills demand, in partnership with industry and SETAs;
 - incorporate a medium-term expansion plan, focusing on AI, cybersecurity and digital content creation;
 - strengthen partnerships with TVET colleges, universities and the private sector to improve certification portability and placement opportunities;
 - include post-training tracking data (employment, further study, enterprise creation);
- ensure NEMISA expands digital and e-learning platforms to increase reach in rural areas and townships;

- ensure NEMISA shift decisively from training volume indicators to measurable socio-economic outcomes, particularly for youth, women and rural communities; and
- link NEMISA training programmes directly to SITA-deployed systems, ensuring practical skills transfer.

6.12 FPB

The Committee recommends that the Minister should:

- ensure FPB increases digital monitoring efficiency – within 12 months of adoption of this report;
- ensure FPB consistently publishes enforcement outcomes (cases investigated, sanctions imposed, compliance improvement) and compliance improvements;
- ensure FPB drastically reduces CSAM case turnaround time from 60 working days to a maximum of 30 days through prioritisation and automation;
- ensure FPB accelerates implementation of AI-supported content analysis and monitoring systems to at least 80% operational coverage;
- strengthen formal collaboration protocols with SAPS, NPA and the Department of Basic Education for CSAM investigations;
- conduct and submit a capacity and funding gap analysis linked to the expanded online mandate – within 4 months of adoption of this report;
- implement a staff wellness and psychosocial support framework for employees exposed to harmful content; and
- ensure FPB embed online safety, classification and platform compliance modules into NEMISA training courses – within 4 months of adoption of this report.

Report to be considered.

5. Report of the Portfolio Committee on Home Affairs on the quarterly Performance reports of the Department of Home Affairs 2025/2026, dated 5 May 2026.

The Portfolio Committee on Home Affairs (the Committee), having considered the presentation by the Department of Home Affairs on its Annual Performance Plan (APP) for Quarter 1, Quarter 2 and Quarter 3 of the 2025/26 financial year, reports as follows:

1. Introduction.

The Portfolio Committee on Home Affairs met with the Department of Home Affairs on 17 February 2026 to evaluate its performance against predetermined objectives, budget expenditure trends, and strategic priorities such as digital transformation. Central to the Department's current strategy is the "Home Affairs @ Home" vision, which seeks to transform the DHA into a digitally integrated organization that enhances national security and provides efficient, dignified services. The report covers the performance of the DHA from 1 April to 31 December 2026. Q1 runs from 1 April to 30 June, Q2 from 1 July to 30 September, and Q3 from 1 October to 31 December.

The purpose of the engagement was to assess:

- Performance against predetermined objectives.
- Budget expenditure trends.
- Compliance with 30-day payment requirements.
- Implementation of the Audit Action Plan; and
- Progress on strategic priorities, including digital transformation.

2. Briefing by the Department of Home Affairs on the performance and expenditure of quarters one, two and three.

In his remarks, the Minister of Home Affairs indicated that the Department was working on the Branch Appointment Booking System (BABS) and addressing persistent system downtime that was disrupting service delivery and negatively affecting operations.

The Director-General (DG) reported that the Department had engaged the Department of Public Works and Infrastructure (DPWI) regarding the Thohoyandou office. The DPWI requested that the Department contribute an additional R30 million to complete the construction of the office, but that a new building could be bought for this price. Both the KwaDukuza and Thohoyandou offices were reported to be approximately 80 per cent complete.

2.1. Strategic Overview

The DG and the CFO made the presentation after the remarks by the Minister of Home Affairs and emphasised the vision, mission and value statement of the Department. He pointed out that the vision of “Home Affairs @ Home” aims to position the Department as a digitally transformed organisation that:

- Enhances national security.
- Drives economic growth and job creation, and
- Provides efficient and dignified services to clients.

The Department of Home Affairs (DHA) mission is to commit to advancing citizen empowerment and inclusivity, promoting economic development, and safeguarding national security through comprehensive digital transformation. This commitment is realised through the following strategic pillars/functions:

a) Efficient and Secure Custodianship of Citizenship and Civil Registration:

The Department serves as a reliable and secure custodian of citizenship and civil registration by implementing effective, modernised technologies that enhance accountability, efficiency, integrity, and transparency in service delivery.

b) Secure and Strategic Management of International Migration:

The Department manages international migration in a secure, strategic, and forward-looking manner, utilising agile systems and innovative practices to protect South Africa’s national interests while fulfilling international obligations.

c) Effective Management of Asylum Seekers and Refugees:

The Department ensures the efficient, lawful, and humane management of asylum seekers and refugees, in compliance with domestic legislation and international conventions. The Department’s higher purpose is to build a Home Affairs that delivers dignity and works for all.

The Department has aligned its outcomes to the 2025–2030 Medium-Term Strategic Framework, focusing on:

- Secure population register.
- Efficient asylum and refugee system.
- Secure and efficient citizenship management.
- Secure migration management.
- Institutional capability and digital transformation.

3. Performance Overview for the three Quarters.

The DG reported that in quarter one of 2025/26, the Department had 38 targets, of which 33 were achieved, representing an 87 per cent achievement rate. In quarter two, the Department had 37 targets, of which 29 were achieved, representing 78 per cent. In quarter three, there were 38 targets, of which 24 were achieved, representing 63 per cent. There was a 10 per cent decline in performance from quarter one to quarter two, and a further 15 per cent decline from quarter two to quarter three.

Quarter	Total targets	Target Achieved	Targets Not Achieved
Q1	38	33 (87%)	5 (13%)
Q 2	37	29 (78%)	8 (22%)
Q3	38	24 (63%)	14 (37%)

APP Targets and Performance per quarter.

In Quarter One, the Department could not achieve the following targets:

- The annual target required the submission of the Home Affairs Bill to Cabinet for approval and public comment. During the quarter under review, the Department submitted a draft Cabinet Memorandum to the JCPS FOSAD Cluster on 7 May 2025. However, the draft Bill did not receive support from the JCPS Ministers. As a result, the target was not achieved.
- The Department of Home Affairs (DHA) planned to register 677,000 births within 30 days for the financial year, with a quarterly target of 187,500 registrations. During the quarter under review, the DHA registered 172,560 births within 30 days, falling short of the quarterly target. The Department reported that a total of 180,025 children were born and registered during the quarter. This figure is lower than the projected quarterly target. Of the 180,025 births recorded, 172,560 were registered within 30 days, while 7,465 births were registered after 30 days. The DHA attributed the shortfall to a declining birth rate in the country.
- The Department planned to develop a concept paper on the e-Passport and secure approval from the Director-General. The quarterly milestone was to conduct consultations with both internal and external stakeholders. Consultations were only held with the Government Printing Works (GPW) and the Information Systems unit. Consultations were not conducted with all relevant stakeholders as initially planned. The Department indicated that the process has been staggered over two quarters and that stakeholder engagement will be expanded.
- The DHA aimed to process 90 percent of general work visa applications within eight weeks (applications submitted within the Republic of South Africa). Applications received: 199, applications processed within eight weeks: 155 and performance achieved: 77.89 percent. Therefore, the DHA did not meet the 90 percent target for the quarter

- The annual target for immigration law enforcement operations is 4,000, with a quarterly target of 529 operations for Quarter 1. The Department did not meet targets in specific sectors, including massage parlours, retail markets, mines and private security companies. However, in relation to business inspections, the Department conducted 919 inspections during the quarter.

In quarter two, the following targets could not be achieved:

- The DHA planned to roll out automated birth registration functionality to 47 health facilities per annum, with Quarter 1 targeting the completion of the e-Birth system development. The target was not achieved due to shifting departmental priorities. Even by Quarter 3, the milestone remained outstanding. The Department indicated that the implementation of the Electronic Travel Authorisation (ETA) system and the reinstatement of citizenship processes were prioritised over the e-Birth project. The rollout has now been deferred to the 2026/27 financial year.
- The Department aimed to develop the capability to deliver Smart ID Cards and passports to clients' preferred places of delivery. The target was not met as the functional design specifications were not approved by the Deputy Director-General due to a shift in departmental priorities. The target was not applicable in Quarter 3 and will now be incorporated into the banks' rollout target for the 2026/27 financial year.
- The annual target was to develop the Digital Identity Policy, secure approval from the Minister of Home Affairs, and submit it to Cabinet for approval. In Quarter 1, the Socio-Economic Impact Assessment System (SEIAS) Report was submitted to the Presidency. However, in Quarter 2, the Department failed to present the Digital Identity Policy to three FOSAD clusters, namely: GSCID, ESIED, and JCPS. The DHA indicated that further extensive consultations with implementation partners were required before proceeding.
- The Draft Amended White Paper was approved by the Minister of Home Affairs in Quarter 1. In Quarter 2, the Department was unable to present the Revised White Paper to three FOSAD clusters (ESIED, ICTS and JCPS) pending the submission of comments by the Immigration Advisory Board to the Minister.
- The DHA did not meet the target of training DHA officials on digital literacy and the annual target was 2 500.
- The target was to process 85 percent of permanent residence applications for critical skills within eight months (applications submitted within South Africa). Applications received: 255, processed within eight months: 176 and performance achieved: 69.02 percent. The Department attributed the shortfall to insufficient human resources. The unit relied on additional resources and overtime. Delays in verifying supporting documentation further affected processing times.

- The target was to process 85 percent of permanent residence applications for business within eight months (applications submitted within South Africa). Applications received: 20, processed within eight months: 4. The Department reported delays due to the verification of supporting documentation.
- The DHA planned to process 85 percent of e-Visas within 10 days. The Department achieved 79% processed within 10 days for virtual port of entry visas. The DHA reported ongoing daily system challenges, including the inability to generate and print daily management reports. The system has been prioritised for technical improvements.

In quarter three, the DHA did not achieve the following targets:

- The development of the e-Birth system was not completed in Quarter 2 due to shifting departmental priorities. Consequently, user acceptance testing was not signed off by the Deputy Director-General (DDG) for Civic Services in Quarter 3.
- The DHA set an annual target to roll out live capture functionality for Smart ID Cards and passports to 100 bank branches. In Quarter 1, the live capture rollout was approved, and in Quarter 2, system development and integration were completed. However, the quarterly target to roll out to 40 bank branches was not achieved in Quarter 3. The delay was attributed to banks not yet establishing the requisite infrastructure to integrate with the DHA-developed system. The rollout of DHA services to additional bank branches has been deferred to the 2026/27 financial year.
- The Digital Identity and PKI programme was not achieved during the reporting period. Although vendor consultations were conducted and bills of quantities were completed, procurement was paused. The delay is due to the need for clarification and alignment on the revised hosting and governance model, including the proposed SARS-based approach and Certificate Authority responsibilities. As a remedial measure, procurement of the PKI infrastructure will be resumed and recovered in the 2026/27 financial year.
- The DHA did not complete the rollout of the e-Leave and e-PMDS systems. Integration with the PERSAL system was delayed due to technical challenges. The responsible service provider was engaged with other PERSAL integration processes, contributing to the delay.
- The annual target was to submit the Home Affairs Bill to Cabinet for approval to publish for public comment. In Quarter 3, the draft Bill was to be submitted for approval to publish comments. The DHA reported that submissions were received from the Presidency and National Treasury. The Department has processed these submissions and prepared responses. The DHA will engage with the JCPS FOSAD Secretariat for the tabling of the Bill and is seeking concurrence from: National Treasury, The Presidency and State Information Technology Agency (SITA). The Bill will be re-tabled before the JCPS Cluster.
- The DHA had planned an annual target of 56 media engagements, 6 outreach engagements and 12 campaigns and for quarter three, the DHA had planned 14 media engagements, 1 outreach engagements

and 3 campaigns. The DHA reported that it conducted 11 media engagements, 4 outreach programmes and 3 campaigns and that some of the campaigns that were to be conducted in quarter three were conducted in quarter two.

- The DHA planned to digitise 25 million records for the financial year. The Department overachieved its targets in Quarters 1 and 2. However, in Quarter 3, the target was 6.1 million records, and DHA achieved 4.7 million records. The shortfall was attributed to ICT infrastructure challenges, including unstable network connectivity, server interruptions and inadequate power backup systems. In quarter four, the project will focus on the amendment of records.
- The Digital Identity policy was not gazetted for public comment during the period under review. However, it was approved by the Minister. Consultations with implementing partners took longer than initially anticipated, which contributed to the delay. The policy is scheduled to be submitted to Cabinet for approval in the fourth quarter.
- Similar to Quarter Two, the Department of Home Affairs (DHA) did not achieve the target of finalising 85 per cent of permanent residence permit applications for critical skills (Section 27(b)) within eight months of receipt. During the period under review, the DHA received 318 applications. Of these, 259 applications were processed, representing 81.45 per cent achievement against the target. The Department attributed the underperformance to delays in adjudication arising from the need for verification of documents by external stakeholders.
- Against the target of processing 95 per cent of critical skills visa applications within four weeks, the Department of Home Affairs (DHA) achieved 89.9 per cent during the period under review. The DHA reported that it received 517 critical skills visa applications and processed 465 of these within the prescribed four-week timeframe.
- With regard to critical skills visa applications submitted through the Trusted Employer Scheme, the target was to process 95 per cent of applications received within four weeks. The Department of Home Affairs (DHA) reported that it processed only 83 per cent of the applications received during the period under review.
- Regarding general work visas, the Department of Home Affairs (DHA) received a total of 1 133 applications and processed 998, representing 88 per cent achievement against the target of 90 per cent.
- For virtual port of entry (e-visa) applications to be processed within 10 days, the DHA aimed to process 85 per cent of applications. During the period under review, 82.41 per cent of e-visas were processed within the prescribed timeframe. While this target was also not achieved in Quarter Two, the DHA reported an improvement in performance from Quarter Two to Quarter Three, despite facing similar challenges.
- The DHA had planned to adjudicate 90 per cent of new asylum applications at the level of the Refugee Status Determination Officer within 30 days. However, only 318 of the 829 applications (38 per cent) were processed within the target period. The Department attributed the underperformance to the

malfunction of the Asylum Seeker Management System for a large part of the quarter, which resulted in the loss of data.

4. Key Performance Highlights of the DHA in the three quarters.

- The department successfully rolled out live capture functionality to 5 additional offices in Q3, including Citrusdal, Molemole, Zastron, Orange Farm, and Middelburg.
- Over 19.5 million civic records were digitised across the three quarters (7.6m in Q1, 7.2m in Q2, and 4.7m in Q3).
- The Electronic Travel Authorisation (ETA) solution development for Visitor's Visas was completed in Q3.
- The department exceeded its targets for issuing Smart ID cards to citizens aged 16 and older, issuing over 3 million cards in nine months.
- Efficiency remained high, with over 96% of adult passports issued within 13 working days and over 98% of child passports issued within 18 working days throughout all three quarters.
- While the Q1 target was narrowly missed, the department achieved its goals in Q2 and Q3, registering 175,285 and 158,070 births, respectively, within 30 days.
- There was a significant increase in immigration law enforcement, with 1,852 operations in Q2 and 2,045 in Q3, both exceeding their respective targets.
- Most targets for issuing critical skills and business visas within set timeframes were met in Q1 and Q2 but faced challenges in Q3 due to system downtimes and verification delays.
- The Trusted Tour Operator Scheme performed exceptionally well, maintaining high adjudication rates (up to 99%) within the 5-day target.
- The department consistently exceeded its target of finalizing 80% of fraud and corruption cases within 90 days, achieving rates of 98% (Q1), 85% (Q2), and 93% (Q3)
- Vetting files referred to the SSA remained on track, with 323 completed files processed over the nine months.

4. Budget and expenditure analysis.

The Chief Financial Officer presented the Department's financial performance and indicated that the total budget allocation was R11 billion. This amount includes earmarked transfers to the Border Management Authority (BMA), the Independent Electoral Commission (IEC), the Represented Political Party Fund, and the Who Am I Online project.

Quarter 1 (Q1) The Department spent R3.9 billion, representing 36.3 percent of the total budget.

The budget allocated to provinces forms part of the Citizen Affairs Programme and amounted to R2.686 billion. Provincial expenditure for the quarter was approximately 24.3 percent which remained within the linear projection benchmark of 25 percent.

Quarter 2 (Q2) By the end of Q2, the Department had spent R7 billion, equating to 63.6 percent of the total budget. This expenditure was above the linear projection of 50 percent.

Provincial expenditure amounted to approximately R1.313 billion, representing 48.9 percent of the allocated budget, which remained within the linear projection.

Quarter 3 (Q3) the Department's cumulative expenditure reached R10.3 billion, representing 93.5 percent of the total budget, which was significantly above the linear projection of 75 percent.

Provincial spending amounted to R1.984 billion, representing 73.9 percent of the provincial allocation, and remained within the linear projection of 75 percent.

5. Committee Observations.

5.1. The Committee expressed concern regarding the Department's declining performance from quarter one to quarter three.

5.2. The Committee noted the court judgment relating to the restoration of citizenship of South Africans who had acquired dual citizenship without notifying the Minister of Home Affairs. The Committee sought clarity on the uptake of the online portal and the duration for which it would remain operational. The Minister reported that approximately 14 345 citizens had accessed the portal and that 1 091 individuals who had lost their citizenship had since been reinstated. He further indicated that the portal forms part of the broader Digital Identity framework and that the Digital Identity policy was being processed through Cabinet.

5.3. The Committee raised the issue of fines imposed on employers who employ undocumented foreign nationals and transport conveyors who bring undocumented persons into South Africa. The Acting Deputy Director-General (ADDG) for Immigration indicated that the Border Management Authority (BMA) imposes a fine of R15 000 per undocumented person transported. About employers, the matter is referred to a Magistrate, who may impose a fine or a term of imprisonment at his or her discretion.

5.4. The Committee expressed concern about persistent long queues at offices of the Department nationwide and enquired about measures to address the situation. It was noted that this environment had enabled runners outside offices to solicit bribes to facilitate service from corrupt officials. Security guards assigned to manage queues were also reported to be accepting bribes. The Department indicated that the use of security guards for queue management was due to staff shortages.

5.5. The Committee noted delays in the adjudication of visas and permits. After applications are submitted through VFS, cases reportedly take time to be allocated to adjudicators.

5.6. The Committee raised concerns regarding the application for and collection of Smart ID Cards by school learners. It is recommended that the Department conduct targeted campaigns in schools to encourage learners turning 16 years old, including those in Grade 10, to apply for identity documents, rather than focusing primarily on Grade 12 learners. The large number of uncollected Smart ID Cards remained a serious concern. The Committee further highlighted the challenge of children without identity documents, particularly orphans and children with one South African parent and one foreign national parent.

5.7. The Committee noted vulnerabilities in immigration business processes, including the Department's inability to fully determine whether incoming travellers have criminal records. The Committee welcomed the implementation of the Electronic Travel Authorisation (ETA) system and requested clarity on implementation timelines and a cost-benefit analysis. It also raised concerns about the performance of the Immigration Services programme across all quarters. The Minister indicated that revenue generated from the ETA could be utilised by the Department and the BMA. The ADDG for Immigration Services reported that criminal checks are conducted through systems such as stop lists, Interpol, and records from countries of origin.

5.8. The Committee expressed concern about the uncompleted Thohoyandou Home Affairs office, which was raised during public hearings by Chief Mphaphuli. The Committee recommended that the Department provide regular updates to stakeholders when challenges arise, as it appeared that Chief Mphaphuli had not been informed of the delays. There were also concerns regarding the absence of clear timelines for completion. The Committee recommended that the Minister, Deputy Minister and Director-General visit Chief Mphaphuli to provide clarity on the delays in finalising the building, which was initially scheduled for completion in 2019.

5.9. The Committee requested an update on the Germiston office that was destroyed by fire. The DDG reported that the Department was in the process of securing alternative accommodation.

5.10. The Committee sought clarity on the status of the Department's self-service kiosks launched by the President. The Minister reported that the kiosks were not part of the ICT strategic plan but may potentially be utilised in support of the ETA rollout.

5.11. The Committee expressed concern regarding the composition of the Immigration Advisory Board (IAB) established by the Minister. Reports indicated that one member of the IAB is a foreign national. As the IAB advises the Minister on immigration matters, the Committee requested clarity on the status of its members. The Minister indicated that the Board is intended to be broadly representative and that the legislation permits such a composition.

5.12. The Committee raised concerns regarding asylum seekers and refugees, particularly whether they produce documentation upon approaching the Department and the Department's ability to track them. The Acting DDG for Immigration outlined the process whereby asylum seekers are issued with a temporary asylum transit visa valid for five days to enable them to report to a Refugee Reception Office. Upon application, they are issued with an asylum seeker permit allowing them to work and study pending the determination of their status. The Department processes approximately 400 applications per annum and currently faces a backlog of approximately 139 000 cases. Law societies have indicated their willingness to assist in addressing the backlog.

5.13. The Committee enquired about the four-week timeline for finalising critical skills visas and sought clarity on what constitutes a critical skill. The ADDG indicated that the Critical Skills List is issued by the Department of Higher Education and Training in consultation with the Department of Employment and Labour, and that the Department of Home Affairs is responsible for gazetting the list.

5.14. The Committee also raised concerns regarding ICT challenges and procurement processes and emphasised the need for reform in this area.

5.15. The Committee expressed concern about an employee accused of gender-based violence (GBV) being transferred to another office. It indicated that matters should not be shielded from parliamentary oversight. The ADDG for Human Resources and Development explained that the employee had been removed from the work environment to allow the investigation to proceed.

5.16. The Committee emphasised the need to fill all critical vacancies, including the posts of Deputy Director-General: Immigration Services and Deputy Director-General: Human Resources Development. The ADDG for HR reported that 376 funded vacant posts need to be filled. The Department's approved staff establishment is 19 000 posts; however, the current staff complement stands at approximately 7 000.

7. Recommendations.

Based on the observations and performance gaps identified in the report, the Committee recommends the following action by the Minister of Home Affairs:

- 7.1. The Department must address persistent system downtimes and ICT challenges that led to a loss of data in the Asylum Seeker Management System and slowed the digitization of records.
- 7.2. There is an urgent need to fill the 376 funded vacant posts, specifically critical leadership roles like the Deputy Director-General for Immigration Services, Chief Information Officer and HR Development. The Department is currently operating with only 7,000 staff out of an approved establishment of 19,000 (37%).
- 7.3. The Minister and/or senior leadership should conduct a site visit to Chief Mphaphuli to provide a

formal update on the Thohoyandou office, which has been delayed since 2019.

- 7.4. The issue of self-service kiosks should be revisited for their intended use to alleviate long queues and mitigate the influence of "runners" soliciting bribes outside offices.
- 7.5. The Department should leverage the willingness of law societies to help address the 139,000-case backlog in asylum seeker permits.
- 7.6. The DHA must prioritize securing concurrence from National Treasury and the Presidency to re-table the Home Affairs Bill before the JCPS Cluster to ensure policy objectives are met.

8. Conclusion.

While the Department demonstrated success in areas such as issuing 3 million Smart ID cards and maintaining high efficiency in passport issuance, the overall performance trend is concerning. The decline in target achievement is largely attributed to IT infrastructure failures, shifting departmental priorities, and severe staffing shortages. For the "Home Affairs @ Home" vision to be realized, the Department must stabilize its digital platforms and fill critical vacancies to ensure sustainable service delivery.

Report to be considered.

6. The Budget Vote Report of the Portfolio Committee on Health, dated 6 May 2026

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Report of the Portfolio Committee on Health on Budget Vote 18: Health, Annual Performance Plan of the Department of Health and its entities, Dated, 6 May 2026

The Portfolio Committee on Health (the Committee), having considered Budget Vote 18: Health, together with the Strategic Plan 2025 -2030, 2026/27 Annual Performance Plans (APPs) of the Department of Health (the Department) and its entities, the Council for Medical Schemes (CMS), South African Medical Research Council (SAMRC), Mines and Works Compensation Fund (MWCF), Office of Health Standards Compliance (OHSC), National Health Laboratory Services (NHLS), and the South African Health Products Regulatory Authority (SAHPRA), 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) sets out the role of Parliamentary committees in overseeing the performance of government departments and entities. Furthermore, the Money Bills Amendment Procedure and Related Matters Act (Act No. 9 of 2009), provides for the National Assembly, through its committees to assess the budget votes of departments and entities with their respective strategic and annual performance plans.

1.1. Purpose of the report

This report summarises the presentations received from the Department of Health and its entities focusing on the 2026/27 Annual Performance Plans and, as well as allocations over the medium-term expenditure framework (MTEF) period. The Committee received a report from the Financial and Fiscal Commission (FFC) on its analysis of the health sector's APPs and budgets for 2026/27 financial year. This report details the deliberations, observations and recommendations made by the Committee relating to Vote 18.

1.2. Process

On the 29th and 30th April 2026, the Portfolio Committee on Health engaged the Department and its entities on their Annual Performance Plans and budgets for 2026/27.

1.3. Report of the Financial and Fiscal Commission

The Financial and Fiscal Commission (FFC) highlighted the persistent challenges of South Africa's two-tiered healthcare system. The private sector remains costly and inaccessible to the majority of citizens, while the public sector faces mounting input cost pressures and a growing uninsured population. This divide has created a separating equilibrium in healthcare costing and pricing, resulting in severe inefficiencies and inequitable access. The NHI Act (Act No. 20 of 2023) aims to address these disparities by moving toward Universal Health Coverage (UHC), centralising healthcare financing and ensuring access regardless of income or geography. The FFC emphasised that implementation remains slow, and that financial investments must align with functional healthcare delivery to ensure sustainable improvements.

The FFC presented an analysis of the Department of Health's budget and expenditure trends. Key findings included the observation that the DoH's budget increased from R65.9 billion (adjusted, 2025/26) to R66.9 billion for the 2026/27 financial year, to support critical areas such as the employment of medical doctors, medical supply procurement, and NHI preparatory work. Conditional grants account for 93.7% of the department's total budget — approximately R62.7 billion — reflecting the extent to which health spending is delivered through provinces. The FFC also noted a consistent pattern of underspending across three consecutive financial years (2022/23, 2023/24, and 2024/25), with an overall underspend of 0.6% in 2024/25. Notable underspending was recorded in Administration (8.9%) and the NHI programme (13.8%), raising concern about the department's capacity to absorb and utilise allocated funds effectively.

Regarding the health budget by economic classification, the FFC found that Compensation of Employees recorded 7.9% underspending in 2024/25, pointing to persistent constraints in filling budgeted posts. Goods and Services underspent by 15.4%, attributed in part to procurement challenges. Despite these patterns, a modest overall upward revision of 4.5% for 2026/27 was noted, which the Commission considers broadly consistent with spending performance. The FFC supports the government's approach of managing the compensation bill while ensuring the strategic appointment of doctors and healthcare professionals.

The FFC's analysis of conditional grants revealed a mix of growth and constraint across the five major health grants. The District Health Programme Grant received the largest allocation, with significant funding directed toward HIV/AIDS-related services. The Human Resources

and Training Grant was allocated R5.9 billion for 2026/27, supporting both health sciences training and statutory HR posts, with the Northern Cape recording the largest provincial growth at 2.6%. The National Tertiary Services Grant, at R16.7 billion, funds specialist services across 35 tertiary hospitals, with North West province seeing the largest increase (14.2%). The Health Facility Revitalisation Grant received R7.7 billion, reflecting an average provincial increase of 12%, with the Western Cape receiving the largest boost (30.7%), partly linked to the Tygerberg Hospital PPP. The NHI Direct and Indirect Grants saw marginal decreases in provincial allocations, and the FFC noted that NHI rollout is currently stalled by a High Court order pending constitutional review.

The FFC reviewed six health entities and found mixed performance. The SAMRC received the largest budget increase (9.1%), though concerns were raised about funding consistency. SAHPRA showed strong results and improved budget planning, while NHLS performed well overall but lagged in non-perishable food testing. The OHSC recorded significant underperformance, with inspections reaching only about 20% of targets. The CCOD's budget declined by 8.5% due to fewer TB claims and improved mine safety. Overall, the FFC highlighted inconsistencies in allocations and the need to better align funding with performance.

The FFC also discussed the NHI's phased rollout and its preparatory work. It found that substantial investment is still needed across three key pillars: healthcare infrastructure, human resources, and digital health information systems. The direct NHI grant has consistently performed well in expenditure (100% in 2023/24; 97.3% in 2024/25), while indirect grant components have historically underperformed — most notably the newly introduced Health Systems indirect component, which recorded only 79.3% spending performance in its first year. A single, integrated national electronic health records system — incorporating real-time patient and provider data — was identified as critical for operationalising NHI, a point the Commission reiterated in alignment with the President's State of the Nation Address.

The FFC concluded with the following recommendations:

- **Monitor doctor employment funding:** Closely track funds channelled through the provincial equitable share for employing doctors and covering goods/services shortfalls to ensure proper use.
- **Address budget deviations in health entities:** Significant unexplained deviations undermine National Treasury's credibility and must be accounted for.
- **Link allocations to performance:** Entity budgets should be explicitly tied to performance outcomes and aligned with core mandates.
- **Strengthen data collection:** Better data management across all entities is essential for transparency and improved service delivery.

- **Multi-year NCD financing strategy:** The Ministers of Health and Finance should develop a multi-year plan addressing the rising burden of non-communicable diseases, leveraging public-private partnerships for diagnostics and chronic care.
- **Integrated national health information system:** An electronic, real-time patient and doctor registry is essential for operationalising NHI, as reiterated in the President's State of the Nation Address.
- **Review NHI funding framework:** National Treasury should ensure all NHI-labelled funding is used exclusively for NHI-related activities and infrastructure.
- **Prioritise quality in existing public hospitals:** Resources should be reprioritised to achieve allocative efficiency in current hospital systems before NHI rolls out.
- **Strengthen hospital accountability:** The Minister and Provincial Departments should improve management practices and transparency in public hospitals.

The FFC's analysis is broadly supportive of the government's fiscal planning in health while cautioning against risks in three key areas: persistent underspending patterns that risk becoming entrenched, OHSC's failure to adequately inspect health facilities, and the slow and legally contested NHI rollout. The Commission emphasises that fiscal credibility depends on making budget allocations transparent, performance-linked, and consistently explained.

2. CONSIDERATION OF THE ANNUAL PERFORMANCE PLAN AND BUDGET OF THE DEPARTMENT OF HEALTH (2026/27)

2.1. Introduction

South Africa's health system continues to operate in a highly resource-constrained environment in 2026/27. The withdrawal of PEPFAR and reductions in broader United States funding support in 2025 have had sustained negative effects on the public health system. As a result, a number of research initiatives and service delivery programmes have either been terminated or significantly downscaled, placing additional strain on already overburdened public health facilities.

At the same time, global economic conditions remain uncertain. Ongoing instability in energy markets and disruptions in global supply chains continue to affect the availability and cost of essential medical supplies. Rising fuel prices and persistent inflationary pressures are further eroding the real value of health budgets, limiting the sector's ability to expand services and maintain infrastructure.

Within this context, the National Department of Health has set its priorities for the 2026/27 financial year, maintaining a dual focus. On the one hand, there is an urgent need to stabilise

and strengthen core health service delivery, particularly in primary healthcare, human resources for health, and medicine availability. On the other, the Department continues to advance structural reforms associated with the National Health Insurance, aimed at achieving universal health coverage over the medium to long term.

A critical risk to the system remains the long-term impact of reduced external funding for HIV and TB programmes. PEPFAR has historically supported a substantial portion of South Africa's HIV/AIDS response, including prevention, treatment, and community-based services. Without a fully funded and carefully managed transition to domestically supported programmes, there is a significant risk of reversing public health gains.

2.2. Policy Priorities for 2026/27 and alignment with development agendas

2.2.1. State of the Nation Address (SONA)

In the February 2026 State of the Nation Address (SONA), the President addressed the following health-related issues:

- **Substantial investment in health infrastructure, prioritising the construction and revitalisation of academic hospitals.** Government will engage with various public and private financing institutions to finance the building and revitalisation of healthcare facilities in partnership with the private sector. This will commence with George Mukhari Hospital.
- **Undertake a significant rollout of Lenacapavir, a six-monthly injection that has proven highly effective in preventing HIV transmission.** Lenacapavir was recently approved by SAHPRA (South African Health Products Regulatory Authority). It is used to reduce the risk of HIV in adults and adolescents, who weigh at least 35 kg, are HIV negative, and are at risk of getting HIV. It is expected that the official roll out will begin in April 2026.
- **Mobilise society to ensure that every young girl between the ages of 9 and 15 receives the HPV (Human Papillomavirus Vaccination) vaccine.** The country aims to eliminate cervical cancer by the year 2030. The strategy aligns with the World Health Organization's 90-70-90 targets which means that 90% HPV coverage for girls under 15 years of age, 70% screening coverage using high performance testing, and 90% treatment for identified cases.

2.2.2. The National Development Plan (NDP)

The National Development Plan (NDP) identifies demographics, burden of disease, health systems and the social and environmental determinants of health as the key areas for intervention required to improve the health system in the country. Nine goals for health have been identified in the NDP, viz.:

- Average male and female life expectancy at birth increased to 70 years;
- Tuberculosis (TB) prevention and cure progressively improved;
- Maternal, infant and child mortality reduced;
- Significantly reduced prevalence of non-communicable chronic diseases;
- Injury, accidents and violence reduced by 50% from 2010 levels;
- Health system reforms completed;
- Primary Health Care teams deployed to provide care to families and communities;
- Universal health coverage achieved; and
- Health posts filled with skilled, committed and competent individuals.

The Department envisages a number of health system reforms, including improved health facility planning, an improved Health Management Information System, and improved quality of care. The Office of Health Standards Compliance (OHSC) was established as a public entity in the 2014/15 financial year. Its aim is, amongst others, to ultimately improve the quality of health services in the country and deal with complaints.

2.2.3. Department of Health Five-Year Strategic Goals (2025 – 2030)

The Department's five-year strategic goals are depicted in Table 1 below:

Table 1: Department of Health's Five-Year Strategic Goals

Impact: Life Expectancy improved to 70 years by 2030	
MTDP Priorities	Strategic Outcomes
Pursue achievement of universal health coverage through the implementation of the National Health Insurance to address inequity and financial hardship in accessing quality health care.	1. Financial Management strengthened in the health sector.
	2. Improved access to equitable healthcare services.
	3. National Health Insurance awareness improved.
	4. Governance of Public Entities strengthened.
Strengthen the Primary Health Care (PHC) System by ensuring that home and community-based services, as well as clinics and community health centres are well resourced and appropriately staffed to provide the promotive, preventive, curative,	5. Improved responsiveness to community needs.
	6. Reduced burden of disease.
	7. HIV and AIDS related deaths reduced.
	8. TB Mortality reduced.
	9. Malaria related deaths reduced.

Impact: Life Expectancy improved to 70 years by 2030	
MTDP Priorities	Strategic Outcomes
rehabilitative and palliative care services required for South Africa's burden of disease.	10.Mortality due to Cervical Cancer reduced.
	11.Improved maternal and child health.
	12.Improved access to School Health Programme.
	13.Improved access to Youth Health Programme.
	14.Mental health care integrated in Primary Health Care.
Improve the quality of health care at all levels of the health establishments, inclusive of private and public facilities.	15. Early warning and integrated disease surveillance and response strengthened.
	16.Improved access to safe and quality healthcare.
Improve resource management by optimising human resources and healthcare infrastructure and implementing a single electronic health record.	17.Enabling legislation for effective service delivery.
	18.Employment in line with equity targets.
	19.Equitable distribution of health professionals to health facilities.
	20.Integrated electronic health record.
	21.Health infrastructure optimised for delivery of care.

Source: Department of Health (2025) *Strategic Plan 2025 – 2030*, p. 29.

South Africa's goal to increase life expectancy to 70 years by 2030 represents a transformative milestone in the nation's health trajectory. Achieving this target is not straightforward and would require the implementation of the various interventions identified by the Department including comprehensive healthcare reforms spanning primary care strengthening, disease burden reduction, and universal health coverage implementation.

The Strategic Plan (2025-2030) incorporates strategic interventions targeting South Africa's most pressing health challenges: HIV/AIDS management, tuberculosis control, maternal and child health improvements, and non-communicable disease prevention. Achieving this benchmark would not only signify dramatic improvements in quality of life for millions of South Africans but also demonstrate the effectiveness of coordinated public health policy in overcoming historical disparities and building resilience against future health threats.

2.2.4. Department of Health Planned Policy Initiatives

The Department of Health's Annual Performance Plan 2026/27 places a strong emphasis on health system strengthening reforms aligned with the World Health Organisation (WHO)'s priority of implementing Universal Health Coverage. This is aimed at promoting equitable access to quality healthcare for all, without financial hardship. The Department of Health thus prioritises Primary Health Care (PHC), reinforcing strategies to prevent and manage Non-

Communicable Diseases (NCDs), HIV/AIDS targets, HPV elimination, infrastructure development, and workforce enhancement to improve health outcomes and life expectancy.

2.2.4.1. Key Strategic Priorities

1) Universal Health Coverage

The Department is prioritising Universal Health Coverage (UHC) in line with the World Health Organisations (WHO's) priority to ensure equitable access to healthcare to all without financial hardship. To that end the Department's key initiatives in its implementation of National Health Insurance (NHI) include:

- Strengthening Primary Health Care
- Intensifying strategies for the prevention and management of Non-Communicable Diseases (NCDs)
- Implementation of the Electronic Medical Record via the roll out of the Health Patient Registration System (HPRS). The rollout of the system will be expanded in the current financial year. The Automated Biometric Identification System (ABIS) will also be expanded in this financial year

2) HIV/AIDS Response: Achieving the 95-95-95 Targets

South Africa remains committed to the UN's 95-95-95 targets for HIV/AIDS. While the country has made progress reaching 96-78-94 by July 2025, gaps remain. This means 96% of people living with HIV (PLHIV) are diagnosed, 78% of those diagnosed are on Antiretroviral Treatment (ART), and 94% of those on ART are virally suppressed. To address this:

- Close the Gap Campaign: The second 95 indicates that only 78% of those who are known to be HIV-positive are retained on ART. The Department will thus intensify its campaign to trace and initiate the 1.1 million missing PLHIV on ART.
- This is a national campaign (launched in February 2025) which aims to initiate and retain 1.1 million people on ART focusing on men, youth, and children.
- Innovation and prevention at scale: Phase One implementation of the programme to rollout Lenacapavir will be initiated in this financial year. This drug will assist in the prevention and treatment of HIV. This will be preceded by training of healthcare workers and updating of data systems to incorporate Lenacapavir indicators in the national monitoring systems.
- Digital Transformation: Collaborating with Digital Health to establish a unique patient identifier system and develop an "HIV Intelligence Centre" to improve data integrity and patient tracking.

3) *Strengthening Targeted Health Programmes*

- Cervical cancer elimination by 2030 is prioritised with the aim of getting 90% Human Papilloma Vaccine (HPV) coverage for girls under 15 years of age.
- Sexual & Reproductive Health, and Adolescent Health programmes will be enhanced allowing for increased access to contraceptives and other Sexual and Reproductive health services especially for young women and adolescent girls.

4) *Infrastructure Development and Service Delivery Improvement*

- Infrastructure projects have been identified and will be prioritised, in line with the National Infrastructure Plan 2050. These facilities will be financially sustainable and capable of addressing the country's long-term healthcare needs.
- Health facility maintenance and revitalisation are prioritised to ensure quality care.

5) *Health Workforce and Improving Quality of Care*

- The Department identifies the health workforce as a critical component of the Department's ability to deliver services. To this end it will continue to implement the Human Resource Strategy for 2030, which aims to address critical workforce planning, development and sustainability issues.
- This is in combination with efforts to improve the experience of care for health services users by addressing issues raised through surveys and complaints and using these as opportunities to improve services and educate users.

The 2026/27 Annual Performance Plan thus underscores the health sector's commitment to achieving Sustainable Development Goals (SDGs) and the National Development Plan 2030, with a focus on improving life expectancy to 70 years. Key strategies include NHI readiness, improved HIV/AIDS prevention strategy, infrastructure upgrades, and workforce development. Through stakeholder collaboration and innovative service delivery models, the Department aims to ensure equitable, quality healthcare for all South Africans.

2.3. Annual Performance Plan (APP) Key Indicators

Some of the key indicators in the Department of Health's 2026/27 APP include:

Programme 1: Administration

- The Department aims for an unqualified audit opinion.
- 100% Payment of suppliers within 30 days of receiving valid invoices.
- Meet equity targets regarding percentage of women (50%) in SMS (Senior Management Service).
- 10% of youth employed.
- 2.5% of people with disabilities appointed.
- Finalise minimum safety standards for public facilities.
- 40 districts implementing Event-Based Surveillance (EBS).

Programme 2: National Health Insurance (NHI)

- Health care benefits prioritisation framework finalised by MAC.
- Health Technology Assessment Strategic Plan finalised by MAC.
- Essential Equipment List for Primary Health Care reviewed and published.
- Phased 2 of the NHI Accreditation Framework implementation research completed.
- CCMDD programme – 3.9 million active patients receiving medicine.
- Integrated electronic health record: Minimum Viable Product 3 (PHC package) developed.

Programme 3: HIV/AIDS, TB, Maternal, Child and Women's Health

- New indicator: Four (4) quarterly reports on HIV/AIDS and STIs assessments.
- 81% of people living with HIV on ART.
- 95% of people on ART that are virally suppressed.
- 204 705 people started on TB treatment.
- 81% TB treatment success rate.
- Maternal mortality (facility ratio) less than 95 per 100 000 live births.
- Neonatal mortality rate of 12.5 per 1000 live births.
- 442 500 Grade R learners screened.

Programme 4: Primary Health Care

- 18 Malaria endemic sub-districts implementing the foci clearing programme.
- 33 million screenings conducted for blood glucose.
- 34 million screenings conducted for blood pressure.

- 15 million community outreach services to households' visits.
- 65% of CHCs with mental health provider.
- 90% of hospitals compliant with food service policy.
- 2 700 PHC facilities that qualify as Ideal Clinics.
- 35 municipalities assessed for environmental health compliance.

Programme 5: Hospital Systems

- 9 provinces trained on the Clinical Governance Manual.
- Regulations on Hospital category developed.
- 70% of hospitals attaining Idela Hospital status.
- 46 PHC facilities constructed or revitalised.
- 54 hospitals are to be constructed or revitalised.
- 500 public health facilities to be maintained, repaired and/or refurbished.

Programme 6: Health Systems Governance and Human Resources

- Audit action plans monitored for all public entities.
- 9 provinces monitored for Nursing Leadership competency framework.
- Draft Multidisciplinary team framework (district hospitals) developed.
- Revised food labelling regulations gazetted.

2.4. Budget Analysis (2026/27)

2.4.1. National Department of Health (NDoH) Budget (2026/27)

In 2026/27, the Department receives R66.9 billion, up from the adjusted R65.9 billion in 2025/26. This represents an increase of 1.5 per cent in nominal terms (but a 1.8 per cent decrease in real terms).

Table 2: NDoH Budget Summary

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27
	R million	2025/26				
Programme 1: Administration	840,2	828,4	- 11,8	- 39,0	-1,4 per cent	-4,6 per cent
Programme 2: National Health Insurance	1 433,3	1 434,3	1,0	- 46,2	0,1 per cent	-3,2 per cent
Programme 3: HIV/AIDS, TB & Maternal, Child and Women's Health	26 019,3	26 470,3	451,0	- 419,4	1,7 per cent	-1,6 per cent
Programme 4: Primary Health Care	3 672,0	3 777,4	105,4	- 18,8	2,9 per cent	-0,5 per cent
Programme 5: Hospital Systems	26 135,5	26 218,5	83,0	- 779,1	0,3 per cent	-3,0 per cent
Programme 6: Health System Governance and Human Resource	7 824,9	8 181,3	356,4	87,4	4,6 per cent	1,1 per cent
TOTAL	65 925,1	66 910,2	985,1	- 1 215,0	1,5 per cent	-1,8 per cent

2.4.1.1. Programme overview

The two largest programmes, namely Programme 3: HIV/AIDS, TB & Maternal, Child and Women's Health (previously known as *Communicable and Non-Communicable Diseases*) (R26.5 billion) and Programme 5: *Hospital Systems* (R26.2 billion), jointly constitute 78.8 per cent of the total budget allocation. Notably, there is a decrease in both Programme 3 (decreases by 3.2 per cent in real terms) and Programme 5 (decreases by 3.0 per cent in real terms) both being priority programmes.

Programme 4: *Primary Health Care Services* increases nominally by 2.9 per cent from R3.7 billion to R3.8 billion in 2026/27. The smallest budget item (constituting only 1.2 per cent of the total budget) is Programme 1: *Administration* which decreases nominally by 1.4 per cent from R840.2 million to R828.4 million in 2026/27.

2.4.1.2. Economic classification

In terms of economic classification, the bulk of the NDoH budget (R62.7 billion or 93.8 per cent) consists of transfers and subsidies. This figure includes R60.4 billion to Provinces and municipalities, R235.8 million to Non-Profit Organisations (NPOs), R2.1 billion to Departmental agencies and accounts, and R13.0 million to households.

- Current payments constitute a total value of R2.4 billion, which represents 3.6 per cent of the total budget allocation.
- Compensation of employees increases by 4.6 per cent from R744.3 million in 2025/26 to R779.4 million.
- Most of the current expenditure (R1.7 billion) is allocated to Goods and Services, constituting approximately 68.0 per cent of the total current payments.
- The largest share of current expenditure for Goods and Services goes to Contractors at R609.8 million.

- Expenditure items that also receive a large share of the Goods and Services budget are Consultants: Business and advisory services R254.9 million, Operating leases amount to R131.1 million and Travel and subsistence at R110.7 million.
- Operating payments are allocated R94.4 million and Property payments are at R65.6 million.
- Capital assets are allocated R1.8 billion, down from R2.5 billion in 2025/26. Buildings and other fixed structures are allocated R1.6 billion, and machinery and equipment is allocated R160.3 million.

2.4.1.3. Spending priorities for 2026 MTEF

The Department of Health's medium-term expenditure framework (MTEF) for 2025/26 to 2028/29 prioritises strengthening Primary Health Care (PHC), improving tertiary services, and reinforcing health systems in preparation for National Health Insurance (NHI). With 90.3% (R188.5 billion) of the department's R208.7 billion budget allocated to provincial health departments via conditional grants, expenditure is projected to grow at 3.0% annually, reaching R72.0 billion by 2028/29.

To align with emerging policy priorities, the Department has reprioritised funds from Goods and services to critical areas, including:

- R410 million over the MTEF to the South African Medical Research Council (SAMRC) for donor funding withdrawal by the United States Government.
- R24 million over the MTEF to the Office of Health Standards Compliance (OHSC) for retention of critical employees including contracted inspectors on a permanent basis.

Additional allocations include:

- R176.7 million in 2026/27 and R41.5 million in 2027/28 are made to the Hospital Revitalisation Grant for Tygerberg/Belhar (Western Cape) and Klipfontein (Gauteng) regional hospitals through the *Budget Facility for Infrastructure*.
- R13 million allocated to the Department in 2026/27 for incentivised early retirement and voluntary exit of 26 employees.

Strengthening Primary Healthcare (PHC)

District Health Programmes Grant (R92.1 billion over MTEF):

- Comprehensive HIV & AIDS (R81.1 billion):

- To increase the number of clients on ART from 6 million to 6.4 million in 2028/29.
- By December 2025, only 5.6 million individuals against a target of 6 million were on ART. To increase uptake, the Department plans to amongst other things, strengthen outreach services by community health workers (CHWs), scale up alternative medicine-dispensing models and improve men's access to services.,
- District Health Services (R11.1 billion):
 - Fund HPV vaccinations, malaria interventions, and retention of more than 400 000 CHWs.
 - Expenditure grows at 3.7 per cent annually (R3.8 billion by 2028/29).

Chronic Medication Dispensing (NHI Indirect Grant)

- R460.3 million by 2027/28 (4.8 per cent annual growth).
- 40% of ART patients use private pharmacy pick-up points.

Strengthening the Health System

- NHI Indirect Grant amounts to R7.8 billion over the MTEF – Health Systems Component (R2.5 billion over the MTEF) and Health Facility Revitalisation (R5.3 billion over the MTEF):
- Health Systems Component:
 - Patient information systems development.
 - Quality-of-care improvements (Office of Health Standards Compliance).
 - Ideal Clinic Initiative implementation tracking.
 - Piloting Contracting Units for Primary Healthcare (CUPs).
- Health Facility Revitalisation:
 - R1.7 billion for Limpopo Central Academic Hospital over the MTEF and R259 million in 2026/27 for Siloam District Hospital (224 beds + allied health services) which is also in Limpopo Province.
 - R24.3 billion via direct provincial grants for maintenance, upgrades, and health technology replacement or commissioning.

Improving Tertiary Health Services

- National Tertiary Services Grant - NTSG (R52.1 billion over the MTEF):
 - Supports 35 central/tertiary hospitals, mainly in urban areas.
 - Aims to reimburse provinces for the cost of treating referred patients and also aims to reduce interprovincial referrals by enhancing under-resourced provinces' capacity (equipment & specialist recruitment).

- Expenditure grows at 4.0 per cent annually.

The 2026/27– 2028/29 MTEF reflects a strategic focus on strengthening PHC, improving tertiary service, strengthening the health system. Key investments in HIV/AIDS, chronic care, infrastructure, and health workforce stability aim to improve service delivery efficiency and health outcomes. Through conditional grants, reprioritisations, and infrastructure revitalisation, the Department is positioning South Africa’s health system for sustainable, equitable care in line with NHI objectives.

2.4.2. Budget allocation per programme

2.4.2.1. Programme 1: Administration

Programme 1’s budget decreases by 1.4 per cent in nominal terms (and decreases by 4.6 per cent in real terms) from R840.2 million in 2025/26 to R828.4 million in 2026/27. The largest sub-programme is Corporate Services, of which the allocation decreases by 10.1 per cent in nominal terms and by 13.0 per cent in real terms. Financial Management increases from R154.3 million to R185.7 million, representing a 20.3 per cent increase in nominal terms and 16.4 per cent increase in real terms.

Table 3: Programme 1: Administration

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27	
	R million	2025/26					2026/27
Sub-programme 1: Ministry		38,3	44,0	5,7	4,3	14,9 per cent	11,1 per cent
Sub-programme 2: Management		12,0	12,5	0,5	0,1	4,2 per cent	0,7 per cent
Sub-programme 3: Corporate Services		457,2	411,1	- 46,1	- 59,6	-10,1 per cent	-13,0 per cent
Sub-programme 4: Property Management		178,5	175,1	- 3,4	- 9,2	-1,9 per cent	-5,1 per cent
Sub-programme 5: Financial Management		154,3	185,7	31,4	25,3	20,3 per cent	16,4 per cent
TOTAL		840,2	828,4	- 11,8	- 39,0	-1,4 per cent	-4,6 per cent

2.4.2.2. Programme 2: National Health Insurance

The Programme’s budget increases by 0.1 per cent in nominal terms (decreases by 3.2 per cent in real terms). Health Products Procurement is the only sub-programme to get an increase in this financial year, from R30.7 million to R35.5 million, up 15.6 per cent in nominal terms (11.8 per cent in real terms).

Table 4: Programme 2: National Health Insurance

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27	
	R million	2025/26					2026/27
Sub-programme 1: Programme Management		9,7	9,1	- 0,6	- 0,9	-6,2 per cent	-9,3 per cent
Sub-programme 2: Health Products Procurement		30,7	35,5	4,8	3,6	15,6 per cent	11,8 per cent
Sub-programme 3: Health Financing and National Health Insurance		1 383,9	1 380,2	- 3,7	- 49,1	-0,3 per cent	-3,5 per cent
Sub-programme 4: Digital Health System		9,0	9,5	0,5	0,2	5,6 per cent	2,1 per cent
TOTAL		1 433,3	1 434,3	1,0	- 46,2	0,1 per cent	-3,2 per cent

R904.9 million is allocated for Current payments, of which R790.4 million is for Goods and services. R582.5 million of the Goods and services budget is spent on Contractors. In terms of Transfers and Subsidies, R475.5 million (up from 456.1 million in 2024/25) is transferred to Provinces and Municipalities. R53.9 million is allocated to payments for Capital Assets.

2.4.2.3. Programme 3: Communicable and Non-Communicable Diseases

This programme used to be known as the Communicable and Non-Communicable Disease Programme. Communicable Diseases and Non-communicable Diseases sub-programmes have been moved to Programme 4. The budget increases from R26.1 billion to R26.5 billion. The bulk of Programme 3's budget, i.e., 99.7 per cent, is allocated to the *HIV, AIDS and STIs* sub-programme, amounting to R26.4 billion. This represents a nominal increase of 1.8 per cent (a decrease of 1.6 per cent in real terms).

The remaining four sub-programmes combined receive approximately 0.3 per cent of the programme's budget. This includes the *Tuberculosis Management; Women's Maternal and Reproductive Health; Child, Youth and School Health; and Programme Management*.

Table 5: Programme 3: Communicable and Non-Communicable Diseases

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27	
	R million	2025/26					2026/27
Sub-programme 1: Programme Management		8,1	4,8	- 3,3	- 3,5	-40,7 per cent	-42,7 per cent
Sub-programme 2: HIV, AIDS, and STIs		25 929,5	26 385,0	455,5	- 412,1	1,8 per cent	-1,6 per cent
Sub-programme 3: Tuberculosis Management		33,1	32,8	- 0,3	- 1,4	-0,9 per cent	-4,2 per cent
Sub-programme 4: Women's Maternal and Reproductive Health		19,6	17,4	- 2,2	- 2,8	-11,2 per cent	-14,1 per cent
Sub-programme 5: Child, Youth and School Health		29,0	30,3	1,3	0,3	4,5 per cent	1,0 per cent
TOTAL		26 019,3	26 470,3	451,0	- 419,4	1,7 per cent	-1,6 per cent

Programme 4: Primary Health Care

This Programme's budget increases by 2.9 per cent in nominal terms from R3.7 billion to R3.8 billion in 2026/27. The *District Health Services* sub-programme increases from R3.4 billion in

the previous year, to R3.6 billion in 2025/26, an increase of 4.1 per cent nominally, and 0.7 per cent in real terms.

Environmental and Port Health Services decreases by 13.9 per cent from R103.6 million to R89.2 million in 2026/27.

Table 6: Programme 4: Primary Health Care

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27
	R million	2025/26				
Sub-programme 1: Programme Management	7,1	5,3	- 1,8	- 2,0	-25,4 per cent	-27,8 per cent
Sub-programme 2: District Health Services	3 430,7	3 571,1	140,4	23,0	4,1 per cent	0,7 per cent
Sub-programme 3: Environmental Health and Communicable Diseases	103,6	89,2	- 14,4	- 17,3	-13,9 per cent	-16,7 per cent
Sub-programme 4: Non-communicable Diseases	96,4	35,7	- 60,7	- 61,9	-63,0 per cent	-64,2 per cent
Sub-programme 5: Health Promotion and Nutrition	34,2	76,3	42,1	39,6	123,1 per cent	115,8 per cent
TOTAL	3 672,0	3 777,4	105,4	- 18,8	2,9 per cent	-0,5 per cent

2.4.2.4. Programme 5: Hospital Systems

The total budget for Programme 5 increases by only 0.3 per cent in nominal terms (decreases by 3.0 per cent in real terms).

Table 7: Programme 5: Hospital Systems

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27
	R million	2025/26				
Sub-programme 1: Programme Management	7,1	3,9	- 3,2	- 3,3	-45,1 per cent	-46,9 per cent
Sub-programme 2: Health Facilities Infrastructure Management	10 113,0	9 487,5	- 625,5	- 937,5	-6,2 per cent	-9,3 per cent
Sub-programme 3: Hospital Systems	16 006,5	16 712,8	706,3	156,7	4,4 per cent	1,0 per cent
Sub-programme 4: Emergency Medical Services	8,9	14,3	5,4	4,9	60,7 per cent	55,4 per cent
TOTAL	26 135,5	26 218,5	83,0	- 779,1	0,3 per cent	-3,0 per cent

The allocation to the *Health Facilities Infrastructure Management* sub-programme decreases by 6.2 per cent in nominal terms from R10.1 billion to R9.5 billion in 2026/27, which is a decrease of 9.3 per cent in real terms.

The *Hospital Systems* sub-programme increases by R706.3 million from R16.1 billion to R16.7 billion in 2026/27, representing nominal increase of 4.4 per cent (1.0 per cent in real terms).

Most of the programme funding is transferred to Provinces via the National Tertiary Services Grant (NTSG) and Health Facility Revitalisation Grant (HFRG).

2.4.2.5. Programme 6: Health Systems Governance and Human Resources

Programme 6 increases by 4.6 per cent in nominal terms and increases by 1.1 per cent in real terms in 2026/27.

Table 8: Programme 6: Health Systems Governance and Human Resources

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27
	R million	2025/26				
Sub-programme 1: Programme Management	8,8	6,2	- 2,6	- 2,8	-29,5 per cent	-31,9 per cent
Sub-programme 2: Policy and Planning	7,8	8,1	0,3	0,0	3,8 per cent	0,4 per cent
Sub-programme 3: Public Entities Management	2 125,7	2 213,0	87,3	14,5	4,1 per cent	0,7 per cent
Sub-programme 4: Nursing Services	10,8	11,3	0,5	0,1	4,6 per cent	1,2 per cent
Sub-programme 5: Human Resources for Health	5 671,8	5 942,6	270,8	75,4	4,8 per cent	1,3 per cent
TOTAL	7 824,9	8 181,3	356,4	87,4	4,6 per cent	1,1 per cent

Two sub-programmes dominate expenditure under Programme 6. The *Human Resources for Health* sub-programme which receives R5.9 billion, which is an increase of 4.8 per cent in nominal terms, and a real increase of 1.3 per cent. The *Public Entities Management* sub-programme receives R2.2 billion, increasing by 4.1 per cent in nominal terms (i.e., a 0.7 per cent increase in real terms) from the previous year.

The Nursing Services sub-programme increases by 4.6 per cent in nominal terms from R10.8 million to R11.3 million in 2026/27, an increase of 1.2 per cent in real terms.

3. CONSIDERATION OF THE APPs AND BUDGETS OF ENTITIES (2026/27)

3.1. Council for Medical Schemes (CMS)

The Council for Medical Schemes (CMS) is South Africa's statutory regulator of medical schemes, mandated to protect the interests of members and beneficiaries. Its core functions include overseeing the governance and operations of medical schemes in alignment with national health policy, investigating complaints and resolving disputes, collecting and sharing information on private healthcare, and advising the Minister of Health on quality and performance standards.

In terms of the Medical Schemes Act (No. 131 of 1998), the CMS regulates and coordinates the sector, ensures compliance with legislation, makes rules, and provides policy advice. It currently oversees a shrinking number of medical schemes (71), alongside administrators,

managed care organisations, brokerages, and individual brokers, covering approximately 9.13 million beneficiaries.

The CMS operates within a changing policy environment shaped by reforms such as the National Health Insurance (NHI) and related legislation. Its strategic priorities include supporting NHI implementation (particularly defining complementary cover), reviewing Prescribed Minimum Benefits, combating fraud and abuse, strengthening financial sector oversight in collaboration with other regulators, and enhancing consumer protection and empowerment.

3.1.1. Situational Analysis

The CMS reports having successfully undergone a transformation by restructuring its organisational framework to better align resources with strategic goals. This involved prioritising the filling of new positions in a phased approach, based on the approved budget. The budget has not been sufficient to fully fund the newly created positions in the new organisational structure.

Four (4) percent of the total positions in the approved organisational structure remains unfunded. The CMS reports that due to budgetary constraints, it is unable to afford employee benefits as provided for in its policies. It is also planning to develop a comprehensive strategy for consequence management to address misconduct or poor performance.

The CMS raises concerns that its Cost of Employees has reached 71% of the total budget and would need to review its remuneration policies to strike a balance between sustainability and retention of talent. The CMS further reports having developed a turnaround strategy to address financial challenges and operational inefficiencies “to restore sustainable financial position, improve capacity to implement the plans, policies and strategies, ensure stability, and long-term viability.”

3.1.2. Performance Information (2026/27)

The table below highlights some of the annual and quarterly performance indicators for the CMS. It is important to note that in the previous financial year, the CMS reduced the number of Programmes from five to four. Strategy Performance and Risk programme was removed. Programme 2 is now Regulation. Programme 3 is now Member Protection and Programme 4 is Policy, Research and Monitoring.

Table 9: Strategic Objectives and Performance Plan Indicators for 2026/27

PROGRAMME	STRATEGIC OBJECTIVE	PLANNED TARGET 2026/27
1. ADMINISTRATION	Maintaining existing Memoranda of Understanding (MOUs).	Percentage (80%) of MOUs signed and or maintained.
	Ensure that reported performance information is in accordance with the Revised Framework for Strategic and Annual Performance Plans.	Ensure that the review and development of a Strategic Plan and Annual Performance Plan is done for Council's consideration by the 31 st of January each year.
		Ensure that overall performance of the entity is maintained above 80%.
		Produce an Annual Performance Information Report that is reliable, accurate and complete by 31 July each year.
	Audit Outcome.	Obtain a clean audit opinion
	Ensure effective financial management.	Review, develop, and implement a funding model that considers the long-term strategic outcomes of the CMS by the end of each year.
		Produce a Budget that is approved by Council by 31 January each year.
	IT Service Availability.	Achieve 99% in network uptime.
		Percentage (5%) of IT security incidents (breaches) on our firewalls.
	Software applications portfolio and Performance.	Modernise the ICT applications portfolio by delivering on the prioritised projects per the ICT Digital Strategy.
	Competent and skilled employees.	Minimise staff turnover to less than 15% per annum.
		90% of vacancies filled within 90 working days.
	Competent and skilled employees.	95% of employee performance agreements are signed by 31 May each year.
		95% of employee performance assessments are concluded bi-annually.
	Legal advisory and support services.	100% of written and verbal legal opinions provided to internal and external stakeholders, attended to within 14 days.
	Defending decisions of the Council and the Registrar.	100% of court and tribunal appearance in legal matters received and action initiated by the Unit within 14 days.
Corporate governance, Secretariat & Board administration Support and Legal Services for effective governance by the Accounting Authority.	2 training sessions held for Council and /or Committees.	
	90% of signed annual declaration of financial interest by Council Members.	

PROGRAMME	STRATEGIC OBJECTIVE	PLANNED TARGET 2026/27
	Support Dispute Resolution Forums in furtherance of Council and MSA objectives.	100% Support the publication of rulings of the Appeals Committee and the Appeal Board within 14 days of receipt from the Presiding Officers.
2. REGULATION	Broker Accreditation.	85% of broker and broker organisation applications accredited within 30 working days per quarter on receipt of complete information.
	Managed care services accreditation.	100% of managed care organisation applications analysis completed within three months of receipt of complete information.
	Administration services accreditation.	100% of administrators and self-administered schemes' applications analysis completed within three months of receipt of complete information.
	Medical scheme rules comply with the MSA.	80% of interim rule amendments processed within 30 working days of receipt of all.
	Routine inspection reports.	80% Percentage of routine inspections conducted and draft reports issued, as identified through the risk-based approach framework.
	Enforcement action.	80% Percentage of enforcement actions initiated during the period.
	Governance interventions.	80% Percentage of governance interventions initiated during the period.
	Governance interventions.	85% Percentage of scheme member meetings attended (including virtual meetings) as identified through the risk-based approach framework.
	Financial soundness of medical schemes.	100% Percentage of business plan decisions processed in respect of Regulation 29.
	Financial soundness of medical schemes.	1 Financial section prepared for the Annual Industry Report.
3. MEMBER PROTECTION	Education and Training Interventions.	60 Number of stakeholder education and training sessions.
	Customer care interventions.	85% Percentage of customer care interventions resulting from calls and e-mailed queries and walk-in consultations handled by the customer care centre.
	Complaints resolution.	75% of complaints older than 120 calendar days adjudicated during the reporting period in accordance with complaints standard operating procedures.
		100% of Rulings published on the CMS website within 14 days of issuing the ruling.
	CMS Scripts published.	The number of CMS Scripts published.
Clinical opinions.	90% Percentage of category 1 clinical opinions provided within 30 working days of	

PROGRAMME	STRATEGIC OBJECTIVE	PLANNED TARGET 2026/27
		receipt of a request from Complaints Adjudication Sub-programme.
4. POLICY, RESEARCH AND MONITORING	Standardisation of options implementation report.	1 Number of standardisation of options implementation reports. (New Indicator)
	PMB Review report.	1 Number of PMB Review Reports on PMB review activities and progress. (New Indicator)
	Report on the consolidation of schemes with a membership base of less than 6 000.	1 Number of reports on the consolidation of medical schemes with a membership base of less than 6 000. (New Indicator)
	Conduct research to inform appropriate national health policy interventions.	12 Research projects finalised, per year.
	Monitoring trends to improve regulatory policy and practice.	1 Non-financial Report submitted for inclusion in the Annual Report.

Adapted: CMS APP (2026/27)

From an oversight perspective, the planned targets for 2026/27 suggests a strong emphasis on process compliance and timeliness (percentages and turnaround times), but comparatively fewer indicators explicitly test impact or quality (for instance complaint adjudication volumes are tracked, but not outcomes such as resolution effectiveness, reversals on appeal, or stakeholder satisfaction beyond 'handled' interactions).

3.1.3. Budget Allocation (2026/27)

The CMS receives a Government Grant of only R6.6 million from the National Department of Health. The bulk of its revenue comes from the levies paid by principal medical scheme members to the value of R227.7 million.

Table 10: CMS Budget 2026/27

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27	
	R	2025/26					2026/27
Programme 1: Administration		133 781 784,0	139 391 155,0	5 609 371,0	1 025 909,4	4,2 per cent	0,8 per cent
Programme 2: Regulation		50 938 675,0	54 981 785,0	4 043 110,0	2 235 198,3	7,9 per cent	4,4 per cent
Programme 3: Member Protection		31 086 268,0	36 644 484,0	5 558 216,0	4 353 271,7	17,9 per cent	14,0 per cent
Programme 4: Policy research and Monitoring		15 599 493,0	17 056 166,0	1 456 673,0	895 832,0	9,3 per cent	5,7 per cent
TOTAL		231 406 221,0	248 073 591,0	16 667 370,0	8 510 211,3	7,2 per cent	3,7 per cent

The CMS is set to spend R248.1 million in 2026/27, up by 7.2 percent in nominal terms and 3.7 percent in real terms from the adjusted budget of R231.4 million of 2025/26. In terms of

allocation per programme, programme 1: Administration receives the biggest allocation of R139.4 million in 2026/27 or 56.2 percent of the overall budget. This is a 4.2 percent nominal increase, and 0.8 percent real increase from the previous year. This programme is divided into 5 sub-programmes, namely:

Table 11: Administration Budget

Sub-programme	Appropriated budget for 2025/26	Appropriated budget for 2026/27
Office of the CEO and Registrar	R11.1 million	R12.2 million
Office of the CFO	R13.6 million	R15.1 million
Information Systems and Knowledge Management	R30.3 million	R34.1 million
Corporate Services	R67.7 million	R68.2 million
Council Secretariat	R 11.1 million	R10.0 million
Total	R133.8 million	R139.4 million

Adapted: CMS APP (2026/27)

Corporate Services receives the largest share of the Administration budget at R68.2 million. Office of the ICT Information Systems and Knowledge Management is the second biggest budget item receiving R34.1 million; while the Council Secretariat receives the smallest amount of R10.0 million. The Office of the Chief Executive Officer (CEO) and Registrar receive R12.2 million in 2026/27.

Programme 3: Member Protection receives an increase of 17.9 percent in nominal terms, increasing from R50.9 million in 2025/26 to R55.0 million in 2026/27. Programme 2: Regulation receives a 7.9 percent nominal increase from R51.0 million in 2025/26 to R55.0 million in 2026/27.

The key cost drivers per economic classification are as follows: R182.2 million is allocated for Compensation of employees (COE) and R65.9 million is allocated for Goods and services.

3.2. South African Medical Research Council (SAMRC)

The SAMRC operates under the provisions of the Public Finance Management Act (No.1 of 1999) as a Schedule 3A Public Entity established by the South African Medical Research Council Act (No.58 of 1991). The entity's main remit is to chart a new direction to decreasing the disease burden in South Africa through pioneering research and innovations, the development of novel treatment regimens, especially vaccines, including improved diagnostic tools, while localising the production of new drugs and devices to improve the health and lives of South Africans as envisaged in the sustainable development goals (SDGs) and National Development Plan (NDP) vision 2030.

3.2.1. Situational Analysis

External Environmental Analysis

Historically, the entity has conducted numerous studies and surveys for the NDoH and the broader government to support strategic planning and progress assessment. For the 2026/27 fiscal year, its commitments include the South African Demographic Health Survey (SADHS), the National Child and Adolescent Mental Health Survey, Fedisa Modikologo, and responding to Public Health Emergencies of International Concern (PHEIC).

Communities of funders

The entity postulates that in pursuing its remit and increasing access to health research funding, it has developed critical relationships with local and global donors to sustain its noble intent enunciated above. It has varied sources of funders comprising the Newton Fund, UK-MRC, and many others. The SAMRC also hosts the African Health Research and Innovation Funders Forum aimed at better coordinating and aligning funding for Research and Development on the continent.

Internal Environmental Analysis

As referenced earlier, the entity is accountable to the NDoH, and the National Health Minister serves as the Executive Authority for SAMRC. With respect to oversight, the entity has a Board led by the chairperson and fourteen (14) members with illustrious sector expertise. The SAMRC President and CEO, supported by executive leadership, manage day-to-day operations and serve on the Board.

Human Capital

The entity states that its human capital is significantly in favour of females at 70% compared to men at 30% as of March 2025. For this fiscal year, it reports a total staff complement of 745, which increases from 702 from the prior reporting year. Also noted important is the representation of the country's demographics including foreign nationals.

3.2.2. Performance Information (2026/27)

The entity's APP reflects its activities for the period of 12 months i.e. the fiscal year ending March 2027. The APP aligns with the entity's programmes, outlining the activities planned for the reporting period. Performance indicators for 2026/27 are detailed in Table 12.

Table 12: Performance indicators and targets for 2026/27

Outcome	Output indicator	Estimated performance for 2026/27 (Targets)	Observation
To ensure good governance, effective administration and compliance with government regulations.	A clean audit opinion on the SAMRC from the Auditor-General South Africa.	Clean audit	Over the years, the entity EXCELLED in achieving this target.
To promote the organisation's administrative efficiency to maximise the funds available for research, capacity development and innovation	Efficient expenditure of Government allocated budget.	20%	This target is PROJECTED TO REMAIN 20% throughout the MTEF period.
To produce and promote scientific excellence and the reputation of South African health research.	Accepted and or published Conference proceedings, abstracts, journal articles, book chapters and books by SAMRC affiliated and funded Authors.	900	This target DECREASED from 1000 in 2025/26. It is projected to increase slightly to 1025 in 2028/29.
	Number of accepted and/or published conference proceedings, abstracts, journal articles, book chapters and books by SAMRC affiliated and funded authors.	220	This target was decreased from 465 in 2024/25 to 220 in 2025/26 and REMAINS THE SAME this current fiscal year with fluctuations in the MTEF period.

To provide funding for the conduct of health research.	Number of research grants funded by the SAMRC.	210	It has been the same since 2024/25 and REMAINS UNCHANGED throughout the MTEF period.
To support the development of innovations and technologies aimed at improving health	Innovation and technology projects funded by the SAMRC.	38	This target WAS THE SAME in 2025/26 and remains the same throughout MTEF period.
To develop innovations and Technologies aimed at improving health	Innovation disclosures made by the SAMRC employees and students	1	This target has always been 1 since 2021/22 and REMAINS THE SAME throughout the outer years.
To facilitate the translation of health research.	Reports and guidelines (co) produced by the SAMRC intramural researchers.	35	This target was DECREASED from 68 in 2022/23, and it remains the same throughout the MTEF period.

Adapted: SAMRC APP (2026/27) p.56-62

3.2.3. Proposed Allocation (2026/27)

Table 13 shows the total estimates that the National Treasury proposes for appropriation by Parliament for SAMRC through the National Department of Health. As such, the amounts are presented per programme as follows.

Table 13: Proposed budget for 2026/27 fiscal year

PROGRAMME	BUDGET		NOMINAL INCREASE / DECREASE IN 2026/27	REAL INCREASE / DECREASE IN 2026/27	NOMINAL PERCENT CHANGE IN 2026/27	REAL PERCENT CHANGE IN 2026/27
	2025/26	2026/27				
Programme 1	285 825.0	305 288.0	19 463.0	9 424.5	6.81%	3.30%
Programme 2	1 205 651.0	1 259 148.0	53 497.0	12 093.7	4.44%	1.00%
Programme 3	413 763.0	438 814.0	25 051.0	10 621.9	6.05%	2.57%
Programme 4	90 232.0	96 538.0	6 306.0	3 131.6	6.99%	3.47%
Programme 5	4 687.0	4 924.0	237.0	75,1	5.06%	1.60%
TOTAL	R2 000 158.0	R2 104 712.0	104 554.0	35 346.8	5.2%	1.77%

Adapted: SAMRC APP (2026.27) p.63-64

- The SAMRC budget for 2026/27 indicates an *above-inflation increase*, from R2 billion previously to about R2.1 billion. Nominal growth is 5.2%, and 1.77% in above inflation. Programme 2 (Lead the generation of new knowledge and funding of Research): receives the significant share of the entity's allocation dominates the entity's budget, i.e. 58.9%
- Of all the programmes, Programme 2 receives the *strongest growth* of 1% in real increase. Also, noted is real increase for Programme 1 of 3.3% compared to the decline of about 3.0% in prior year. Programme 5 receives the *lowest real increase* of 1.6%.
- Overall, the entity's proposed budget shows a nominal increase of R104.554 million, however, when inflation is calculated it *translates to R35.346 million*.

3.3. Mines and Works Compensation Fund (MWCF)

The Mines and Works Compensation Fund (the MWCF) is established by the Occupational Diseases in Mines and Works Act 1973, (Act No. 78 of 1973) (ODMWA). The Compensation Commissioner for Occupational Diseases in Mines and Works (CCOD) administers the MWCF. The MWCF operates under the provisions of the framework of the ODMWA. In addition, ODMWA provides for the establishment of the Medical Bureau for Occupational Diseases (MBOD), which oversees the provision of Benefit Medical Examinations and certifications of claims.

3.3.1. Milestones and Achievements

The Fund has demonstrated a positive trajectory in operational throughput despite historical legacy challenges. As of the 2026/27 planning cycle, it has reported several significant performance milestones:

- **Audit Excellence:** Achieved an unqualified audit for the 2024/25 financial year, signaling improved internal controls and financial transparency.
- **Operational Volume:** For the 9 months ending December 31, 2025, the Fund paid R375.2 million to 4,058 claimants. This represents a substantial increase from R280 million in the previous comparative period.
- **Certification Efficiency:** The Medical Bureau for Occupational Diseases (MBOD) adjudicated an average of 1,823 certifications per month, a 30% increase over the previous year's average of 1,395.
- **Digitization:** Approximately 315,000 physical files were digitized by the end of 2025, facilitating faster claim processing and reducing reliance on the physical Braamfontein archives.
- **Revenue Enhancement:** The launch of the Mining Industry Employee Database of South Africa (MIEDSA) online portal has improved the accuracy of levy submissions from active controlled mines.

3.3.2. Situational Analysis

1) One Sum Benefits and Revised Rates

To qualify for compensation, workers must be certified with a compensable disease and have worked at a controlled mine. Following an actuarial valuation in March 2025, benefits were increased effective 1 August 2025:

- **1st Degree:** Impairment of cardio-respiratory organs between 10% and 40%. Benefit: R96,474.00.
- **2nd Degree:** Impairment greater than 40% and/or multiple diseases. Benefit: R214,820.00.
- **Tuberculosis (TB):** Reimbursement of 75% of lost earnings for a maximum of 6 months during treatment.

2) Infrastructure and Human Resources

The CCOD faces significant internal constraints. The national office in Braamfontein has received adverse occupational health and safety reports due to flooding and intermittent utilities. Furthermore, while the CCOD is 85% capacitated, it relies heavily on the Minerals Council South Africa for specialized technical, financial, and IT personnel, as 12 specialized posts were recently cancelled by the NDOH.

3.3.3. Performance Information (2026/27)

The Fund has rationalized its performance indicators to focus on core outputs. The following targets are set for the 2026/27 fiscal year.

Table 14: Performance Targets and Indicators for 2026/27

Output Indicator	Actual 2024/25	Annual Target 2026/27	Quarterly Targets			
			1 st	2 nd	3 rd	4 th
1.1 Number of certifications finalised on the Compensations Claims Management System (CCMS)	17 765	8 000	2 450	2 750	1 550	1 550
1.2 Number of claims finalised (other than pensioners)	6 197	4 400	1 250	1 250	950	950
1.3 Number of benefit payments made (other than pensioners)	5 637	4 000	1 150	1 150	850	850
1.4 Number of controlled mines and works inspected	131	85	15	18	27	25
1.5 % of levies received from controlled mines and works	97%	85%	85%	85%	85%	85%

Adapted: MWCF APP (2026/27) p. 14

- Targets for certifications and payments show a planned decrease compared to 2025/26, reflecting a conservative approach due to resource constraints and the clearing of historical backlogs.

3.3.4. Budget Allocation (2026/27)

Table 15 below discusses the proposed budget through its four programmes for 2026/27 financial year.

Table 15: Proposed Budget Allocation for 2026/27 fiscal year

Objective/Activity	2024/25 (Outcome)	2025/26 (Approved)	2026/27 (Estimate)	2027/28 (Estimate)	2028/29 (Estimate)

Compensation of pensioners	6 650	225	153	107	74
Compensation of ex-miners	631 473	368 289	370 275	385 062	398 831
Total	638 123	368 513	370 429	385 169	398 905

Adapted: MWCF APP (2026/27) p. 15

- **Growth Rate:** The budget for compensation of ex-miners is projected to grow at a modest average rate of 2.7% over the medium term. This is below the projected inflation rate, suggesting a focus on operational efficiency.
- **Pensioner Decline:** Expenditure on pensioners shows a sharp decline (-31.1% average), consistent with the nature of the closed legacy fund.
- **Industry Support:** The Minerals Council South Africa provides approximately R71 million per annum in technical and personnel support, which remains a critical off-balance-sheet resource for the CCOD.

In terms of financial position, the Fund maintains a robust balance sheet with significant investment holdings, though revenue from levies is expected to remain flat.

Table 16: Statement of financial position (R thousand)

Description	2025/26 (Revised)	2026/27 (Estimate)	2027/28 (Estimate)	2028/29 (Estimate)
Tax Revenue (Levies)	103 281	101 682	102 698	103 212
Non-tax Revenue (Interest)	421 186	416 437	430 053	444 189
Total Revenue	524 467	518 118	532 751	547 401
Total Expenses	368 513	370 792	385 169	398 905
Surplus	155 953	142 535	147 582	148 496

Adapted: MWCF APP (2026/27)

Table 17: Statement of Financial Position (R thousand)

Description	2025/26 (Revised)	2026/27 (Estimate)	2027/28 (Estimate)	2028/29 (Estimate)
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Investments	6 083 495	6 294 131	6 508 985	6 818 341
Total Assets	6 163 814	6 371 772	6 586 003	6 887 273
Provisions (Claim Liabilities)	3 073 524	3 124 660	3 181 684	3 324 325
Accumulated Surplus	2 966 126	3 113 815	3 261 398	3 409 894

Adapted: MWCF APP (2026/27)

Despite strong financial reserves, the Fund faces systemic risks that could impact service delivery.

- **Infrastructural Fragility:** The CCOD building in Braamfontein has received adverse health and safety reports. Frequent disruptions to electricity, water, and data lines present a significant risk to the Compensation Claims Management System (CCMS).
- **Human capital deficit:** While 85% of administrative posts are filled, the Fund lacks internal specialized personnel in legal, IT, and occupational medicine. The current reliance on the Minerals Council for these skills creates a sustainability risk if the MOU is not renewed.
- **Legacy data integrity:** 73 462 claims remain unpaid, largely due to missing documentation (ID documents, marriage certificates) from claimants in neighbouring countries. Tracking and tracing remains resource intensive.
- **Revenue volatility:** A reduction in levy rates approved in April 2024 has led to a stagnant tax revenue forecast. The Fund relies heavily on investment interest (80% of total revenue) to maintain its surplus.

3.4. Office of Health Standards Compliance (OHSC)

The OHSC is established in terms of the National Health Amendment Act (NHA) (No. 12 of 2013) and is listed as a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA). The objective of the OHSC in section 78 of the NHAA is to protect and promote the health and safety of users of health services by:

- Monitoring and enforcing compliance by health establishments with norms and standards prescribed by the Minister concerning the national health system; and
- Ensuring that complaints about non-compliance with prescribed norms and standards are considered, investigated and disposed of in a procedurally fair, economical and expeditious manner.

3.4.1. Situational Analysis

The organisation is currently undertaking a comprehensive review of norms and standards in collaboration with the National Department of Health and other stakeholders. This process is supported by a Technical Working Group and guided by the Socio-Economic Impact Assessment System (SEIAS), with preparatory work and consultations progressing toward finalisation in 2026.

Progress has been made in strengthening the regulatory framework through the development of inspection tools across multiple levels of care, although some tools (e.g. EMS and psychiatric hospitals) are still under development and require further stakeholder input.

In addition, the OHSC has expanded its regulatory approach by implementing a digital self-assessment system, successfully rolled out in private acute hospitals, enabling facilities to identify gaps and generate Quality Improvement Plans.

Overall, the situational analysis reflects steady progress in regulatory development and system modernisation, although some processes remain incomplete and dependent on stakeholder engagement and finalisation of key regulatory instruments.

3.4.2. Performance Information (2026/27)

The annual performance plan (APP) for 2026/27 details the OHSC's commitment to measuring its performance across five key programmes, i.e. Administration, Compliance Inspectorate, Complaints Management and Ombud, Health Standards Design, Analysis and Support, and Certification and Enforcement.

Table 18: Performance indicators 2026/27

Programme	Outcomes	Output Indicator	2025/26 Estimated Performance	2026/27 Targets
1. Administration	Highly effective and financially sustainable OHSC	% vacancy rate	96%	6%
		% representation of women in SMS positions	50%	50%
		% of uptime of critical systems	96%	96%
		Number of enhanced systems to support functionality	3	3
		Number of engagements to	24	24

Programme	Outcomes	Output Indicator	2025/26 Estimated Performance	2026/27 Targets
		profile OHSC programmes		
		Number of media initiatives to increase awareness of OHSC programmes	4	4
		Number of digital campaigns to profile OHSC programmes	24	24
		Unqualified audit opinion achieved by the OHSC	Unqualified audit opinion	Unqualified audit opinion achieved by the OHSC
2. Compliance Inspectorate	Improved inspection coverage of HEs.	% of public health establishments inspected for compliance with the norms and standards.	100% (761/761)	20% (761/3805)
		% of private health establishments inspected for compliance with the norms and standards.	100% (210/210)	16.3% (210/1290)
		% of additional inspections (re-inspections) conducted in public and private health establishments.	60%	70%
		Number of annual reports that set out the compliance status of all health establishments and summarise the number and nature of the compliance notices issued and published.	1	1
3. Complaints Management and Office of the Health Ombud	Improved quality of healthcare services and patient safety through the implementation of	% of low-risk complaints closed within twenty-five working days of lodgement in the call centre.	90%	90%

Programme	Outcomes	Output Indicator	2025/26 Estimated Performance	2026/27 Targets
	Ombuds recommendations	% of medium-risk complaints resolved within 60 working days.	50%	45%
		% of complaints resolved within 6 months through the issuance of the final investigation report.	50%	40%
		% of complaints resolved within 24 months through the issuance of the final investigation report.	20%	15%
		% of complaints resolved beyond 24 months through the issuance of the final investigation report.	12%	8%
4. Health Standards Design, Analysis and Support	Improved access to health care services through the registration and profiling of health facilities	Number of quality recommendation reports developed for relevant authorities.	1	1
		Number of guidance workshops conducted	30	30
		Number of public health establishments registered and profiled	3935 (public)	3935 (public)
		Number of private health establishments registered and profiled	1020 (private)	1970 (private)
5. Certification and Enforcement	Enhanced public trust in the safety and quality of healthcare services.	% of health establishments issued with a certificate of compliance within 15 days from the date of the final inspection report and a recommendation by an Inspector.	100%	100%

Programme	Outcomes	Output Indicator	2025/26 Estimated Performance	2026/27 Targets
		% of health establishments against which enforcement action has been taken within 30 days.	90%	100%
		% of enforcement action has been taken against non-compliant health establishments resolved within 90 days.	80%	80%
		Number of biannual reports developed for publication on the OHSC website.	2	2

Adapted: OHSC APP (2026/27)

3.4.3. Budget Allocation (2026/27)

Table 19 below discusses the proposed allocation to the OHSC for the 2026/27 fiscal year. It highlights nominal increase/decrease, which refers to figures with no inflation, and real increase/decrease, which refers to figures with inflation being considered. This table is core to the mandate of the entity as the Committee needs to consider it for appropriation.

Table 19: Proposed allocation for OHSC's 2026/27 fiscal year

Programme	Budget		Nominal Increase / Decrease in	Nominal % Change	Real Increase / Decrease	Real % Change
	R million	2025/26				
Administration	73 671 216	82 567 909	8 896 693	12.08%	5 338 016	7.25%
Compliance Inspectorate	66 748 540	65 984 624	-763 918	-1.14%	- 3 449 237	-5.17%
Complaints Management & Office of the Health Ombud	32 319 573	36 148 677	3 829 104	11.85%	2 209 615	6.84%
Health Standards Design, Analysis & Support	15 485 071	16 903 414	1 418 343	9.16%	779 112	5.03%
Certification & Enforcement	3 524 601	4 438 375	913 774	25.93%	742 786	21.08%
TOTAL	191 749 001	206 042 999	14 293 998	7.45%	5 620 292	2.93%

With respect to Table 19, the total proposed allocation for OHSC is R206 043 million, which increases from R192.765 million in the 2025/26 fiscal year. The biggest nominal growth is in Administration, but Certification & Enforcement shows the strongest percentage growth. Compliance Inspectorate is the only programme with a decline in both nominal and real terms. Overall growth is moderate in real terms (2.93%), suggesting limited expansion after inflation.

3.5. National Health Laboratory Services (NHLS)

The National Health Laboratory Act (Act No.37 of 2000) establishes NHLS as a Schedule 3A Public entity in line with the Public Finance Management Act (Act No.1 of 1999). The NHLS is mandated to provide quality, affordable and sustainable health laboratory and related public health services to all public healthcare providers, other government institutions, and any private healthcare provider in need of service. Moreover, the entity is required to support health research and provide training for health science education including advisory services to the National Department of Health (NDOH) and other stakeholders.

3.5.1. Situational Analysis

The National Health Laboratory Service identifies a range of internal and external challenges that threaten its operations and the broader public healthcare system.

Political risks include policy contestation, coalition disagreements, and local government elections, all of which may delay decision-making, shift priorities, and disrupt services—particularly at primary healthcare level—through instability and protests affecting logistics and service delivery.

Human resource constraints are significant, with shortages of skilled laboratory specialists due to limited training capacity, emigration, and uneven provincial distribution, negatively impacting health outcomes.

Neglected Tropical Diseases (NTDs), especially bilharzia (schistosomiasis), remain a concern. Millions are at risk or infected, and South Africa has lagged in implementing the World Health Organization-recommended Mass Drug Administration strategy, raising accountability questions.

Burden of disease remains high and complex, with a dual challenge of communicable diseases (HIV, TB, malaria) and a rising prevalence of non-communicable diseases such as diabetes, cardiovascular conditions, cancer, and mental health disorders, undermining national and global health targets.

Healthcare access inequality persists, particularly in underserved areas, limiting early diagnosis and treatment and increasing vulnerability.

Regarding the **Forensic Chemistry Laboratory (FCL)** integration, baseline assessments revealed systemic weaknesses including limited capacity, inconsistent processes, outdated information systems, and skills shortages. In response, the NHLS has prioritised standardising procedures, improving workflow efficiency and oversight, upgrading information systems, and strengthening quality management systems aligned with its Quality Assurance Division.

3.5.2. Performance Information (2026/27)

Table 20 below highlights some of the targets the entity plans to achieve by end of March 2027 as follows:

Table 20: Performance indicators 2026/27

Output	Output Indicator	Estimated Performance for 2026/27 (Targets)	Observation
Improved laboratory test turnaround times	Percentage of critical laboratory tests conducted within the predefined turnaround times.	90%	This is a relatively new target . It remains 90 throughout the MTEF period
Improved equitable access to diagnostic services.	Number of facilities where POCT is implemented	36	This target is somewhat new and projected to fluctuate during the MTEF period to 24 in 2029.
	Number of anatomical pathology laboratories where digital pathology will be implemented.	1	This target is projected to increase slightly to 8 in 2028/29 and reverse back to 0 in 2029.
Improved laboratory test turnaround times	Percentage of blood alcohol tests completed within a normative period of 90 days.	90%	This target remains the same throughout the MTEF period.
	Percentage of new toxicology tests completed within 90 days.	30%	This target is projected to gradually increase to 60% by March 2029.
Strengthened total quality management systems	Percentage compliance achieved by non-accredited laboratories during annual quality compliance audits	100%	This target remains the same throughout the MTEF period.
	Percentage of laboratories achieving proficiency testing scheme performance standards of 80%	98%	This target is projected to remain the same throughout the MTEF period.

	Number of NHLS laboratories with SANAS:15189 accreditation	200	This target is projected to gradually increase to 261 in 2029.
Health research aligned to national priorities	Number of articles published in peer-reviewed journals	650	This target is projected to remain the same until 2029.
	Percentage of category 1 notifiable medical conditions notified within 24 hours	100%	This target will remain the same throughout the same MTEF period.
Strengthened compliance with regulatory and legal requirements.	Improved audit opinion of the Auditor-General.	Unqualified	This target is projected to graduate to a clean audit opinion in 2029.

Adapted: NHLS APP (2026/27) p. 55-85

3.5.3. Budget Allocation (2026/27)

Table 21 presents the proposed allocation to the NHLS, which the National Legislature is required to appropriate. These funds are subsequently transferred by the National Treasury to the entity through the NDoH. The table therefore provides a detailed and accurate breakdown of the proposed allocation by programme.

Table 21: NHLS' Proposed Budget for 2026/27 fiscal year

Programme	Budget		Nominal Increase / Decrease in 2026/27	Real Increase / Decrease in 2026/27	Nominal Percent change in 2026/27	Real Percent change in 2026/27
	R million	2025/26				
Laboratory Service	11 081 478,0	11 104 537,0	23 059,0	- 342 080,5	0,2%	-3,1%
Forensic Chemistry Laboratories	254 780,0	264 992,0	10 212,0	1 498,5	4,0%	0,6%
Academic Affairs, Research & Quality Assurance	206 731,0	260 340,0	53 609,0	45 048,5	25,9%	21,8%
Surveillance of Communicable Diseases	400 566,0	412 569,0	12 003,0	- 1 563,1	3,0%	-0,4%
Occupational & Environmental Health & Safety	137 442,0	204 836,0	67 394,0	60 658,6	49,0%	44,1%
Administration	2 343 838,0	3 077 734,0	733 896,0	632 693,9	31,3%	27,0%
TOTAL	14 424 835,0	15 325 008,0	900 173,0	396 255,9	6,2%	2,8%

Adapted: NHLS APP (2026/27), p. 68-89

- The NHLS overall budget for 2026/27 increases above inflation (real increase) with 2.8%. Strong real growth is recorded for the Occupational & Environmental Health programme, Administration programme, and the Academic Affairs, Research & Quality Assurance programme.
- **Programme 1: Laboratory Service** bears a significant share compared to rest of the subprogrammes, constituting 72.5% of the NHLS's overall budget for 2026/27. The programme budget grows with 0.2% nominally, but with the inflationary effect decreases with 3.1%.
- **Programme 2: Forensic Chemistry Laboratories** (*the youngest programme*) is earmarked to receive R264,992 million from R254,780 million in the 2025/26 fiscal year. The nominal increase 4.0%, while the real increase shows 0.6% with the consideration of inflation.
- **Programme 3: Academic Affairs, Research & Quality Assurance** is set to receive a nominal increase of R53,609 million in its budget. The budget grows from R206.7 million previously, to R260.3 million in 2026/27. This is a 21.8% increase above inflation (25.9% nominally).
- Also noted is that **Programme 4: Surveillance of Communicable Diseases** is earmarked a budget of R412.6 million, increasing from R400.6 million previously. With inflation the budget decreases with 0.4% from the previous year.
- **Programme 5: Occupational & Environmental Health & Safety** is also earmarked to receive a nominal increase of R67,394 million. The budget grows from R137.4 million previously, to R204.8 million in 2026/27. This resulted in 44.1% above inflation growth from the preceding year.
- **Programme 6: Administration** is also set to receive a nominal increase of R733,896 million, resulting in a 27.0% real increase. The programme grows R2.3 billion previously, to R3.08 in 2026/28.

3.6. South African Health Products Regulatory Authority (SAHPRA)

The Medicines and Related Substance Act (Act No. 101 of 1965) (as amended No. 72 of 2008, together with Act No. 14 of 2015) establishes the SAHPRA as a Schedule 3A public entity. It functions as a separate juristic entity, independent of the National Department of Health (NDoH).

SAHPRA's core mandate is to regulate and control registration, licensing, manufacturing, import and all other aspects pertaining to active pharmaceutical ingredients, medical devices, and for conducting clinical trials in a manner compatible with the national medicines policy.

3.6.1. Situational Analysis

SAHPRA operates in an increasingly complex regulatory environment characterised by growing demand for faster product approvals, evolving health technologies, and heightened risks relating to counterfeit and substandard health products. At the same time, fiscal constraints continue to place pressure on the Authority's ability to expand capacity and modernise systems.

In response, the 2026/27 APP places stronger emphasis on digital transformation, operational efficiency, and financial sustainability. Key priorities include improving turnaround times, strengthening stakeholder responsiveness, and enhancing regulatory oversight across medicines, medical devices, and clinical trials.

However, persistent risks remain, including application backlogs, shortages of specialised skills, cybersecurity vulnerabilities linked to digitalisation, and the need to align regulatory systems with future National Health Insurance requirements. The central oversight question is whether current reforms and resources are sufficient to translate into measurable improvements in regulatory performance and public protection.

3.6.2. Performance Information (2026/27)

SAHPRA executes its mandate through its five programmes, i.e. Leadership and Support, Authorisation management, Inspectorate and regulatory compliance, Medicines evaluation and registration, and Devices and radiation control.

Hereunder is the summary of each programme and its performance plans/targets for the fiscal year ending in March 2027.

PROGRAMME 1: Leadership and Support: Provides leadership and administrative support necessary for entity in order to deliver on its mandate and comply with all legislative requirements.

For the 2026/27 fiscal year, this programme has **9 performance targets**, an increase from 8 in the prior year. The following are the proposed targets:

- Unqualified audit opinion, with no material findings maintained for the 2025/26 financial year.
- Ratio of $1 \geq 1$ for current assets maintained.
- Progress report on implementation of 60% recommendations from the conducted 2025/26 Stakeholder Perception survey submitted to EXCO.
- 80% recommendations from the staff satisfaction survey implemented.

- 100% training budget spend as per planned learning and development initiatives.
- 80% critical business positions in the staff establishment filled.
- Staff turnover rate maintained on or below 10%.
- 90% completion of Digitising 4 Business process and develop 3 AI use case requirement specification and conduct security assessment.
- Recertification audit of the ISO9001:2015 completed.

PROGRAMME 2: Health Products Authorisation: Provides administrative support necessary for the entity to deliver on its mandate and comply with the relevant legislative requirements. The specific purpose of this programme is to coordinate the process of registration and/or licensing or amendment of applications in respect of medicines within a legislative framework.

Programme 2 sets itself **3 targets**, revised down from 5 targets in 2025/26:

- 65 New Chemical Entities Master Applications finalised within 360 working days.
- 480 Generic Master Applications finalised within 250 working days.
- 50% of type II variations finalised within 200 working days.

PROGRAMME 3: Inspectorate and Regulatory Compliance: To ensure public access to safe health products (including disclaimers) through inspections and regulatory compliance. The focus of this programme includes assessment of site compliance, with good regulatory and vigilance practices, including facilitating Good Manufacturing Practice (GMP), Good Warehousing Practice (GWP), Good Distribution Practice (GDP), Good Clinical Practice (GCP), Good Vigilance Practice and Good Laboratory Practice (GLP) compliance.

This programme has set itself **4 targets** for 2026/27:

- 70% of new GWP related licences finalised within 160 days.
- 50% of new GMP related licences (local manufacturer) finalised within 150 days.
- 90% permits finalised within 20 working days.
- 100% of medicine and medical devices and IVDs recalls and related alters published within 7 working days.

PROGRAMME 4: Clinical and Pharmaceutical Evaluation: This programme is meant to evaluate the safety, quality and therapeutic efficacy of medicines and register them for use as per the delegated authority and in terms of the relevant legislation.

This programme has set itself a total of **7 performance targets** to accomplish as shown below:

- 95% applications for the sale of Section 21 unregistered Category A (human) medicines finalised within 3 working days.
- 80% of human clinical trial applications finalised within 80 working days.
- 80% reports on health product significant safety issues assessed within 60 working days.
- 95% of the safety communications published within 30 working days.
- 90% lot release requests finalised within 50 working days.
- 80% applications for the sale of Section 21 unregistered Category D (human) complementary medicines finalised within 5 working days.
- 80% applications for the sale of Section 21 unregistered Category C (veterinary) medicines finalised within 3 working days.

PROGRAMME 5: Medical Devices and Radiation Control: The aim of this programme is to develop and maintain regulations and guidelines pertaining to the regulatory oversight of medical devices, radionuclides, and listed electronic products.

This programme has compiled itself **4 performance targets** for 2026/27, which it aims to achieve as shown below:

- 80% medical device establishment licence applications finalised within 90 working days.
- Implementing product registration feasibility study for high-risk class C and D for selected priority diseases criteria (Cancer).
- 70% applications for radionuclide authorities (licences), finalised within 60 working days.
- 90% licence applications for listed-electronic products finalised within 50 working days.

3.6.3. Budget Allocation (2026/27)

The ensuing sub-section presents an opportunity to the Committee to scrutinise the proposed allocation by the National Treasury to SAHPRA, which has to be appropriated by the National Legislature for the transfer to the entity through the NDoH.

Table 22: Proposed allocation for SAHPRA's 2026/27 fiscal year

Programme number and name	Budget	Nominal Increase / Decrease in 2026/27	Real Increase / Decrease	Nominal Percent change	Real Percent change

R million	2025/26	2026/27		se in 2026/27	in 2026/27	in 2026/27
1. Leadership & Support	172 612	169 968	-2 644	-9 960	-1.53%	-5.77%
2. Health Products Authorisation	54 943	48 404	-6 539	-8 621	-11.90%	-15.69%
3. Inspectorate & Regulatory Compliance	63 834	69 059	5 225	2 253	8.19%	3.53%
4. Clinical & Pharmaceutical Evaluation	136 197	164 901	28 704	21 617	21.08%	15.87%
5. Medical Devices & Radiation Control	43 740	51 013	7 273	5 079	16.63%	11.61%
TOTAL	471 326	503 345	32 019	10 318	6.79%	2.19%

Adapted: SAHPRA APP (2026/27), p. 49-94

- Programmes 1 and 2 decline in real terms, especially Health Products Authorisation (-15.69%), which may affect licensing turnaround times.
- Programme 4 receives the strongest real growth (15.87%), suggesting prioritisation of evaluations/backlog reduction.
- Overall budget grows 6.79% nominally, but only 2.19% in real terms, meaning limited additional purchasing power after inflation.

4. COMMITTEE OBSERVATIONS

The Committee made the following observations and findings during its engagement with the Department on the 2026/27 Annual Performance Plan (APP) and budget:

4.1. Observations on the Department

1) Strategic Planning and Policy Alignment:

- The Committee observed that while the APP demonstrates strong alignment with national policy priorities, including preparations for the National Health Insurance, it does not adequately reflect the Department's actual work undertaken in the preceding period. The plan lacks a clear narrative linking past performance, current priorities, and future interventions, which undermines its effectiveness as a strategic accountability instrument.
- Furthermore, the Committee noted a concerning disjuncture between budget allocations and the lived realities within health facilities, particularly with regard to service quality, infrastructure conditions, and patient experience.

2) *Quality of Performance Indicators:*

- The Committee raised concerns that many APP indicators are skewed towards processes and outputs rather than meaningful, patient-centred outcomes.
- It emphasised the need to prioritise indicators that reflect improvements in health status, quality of care, and patient experience, thereby strengthening outcome-based performance measurement.

3) *Credibility of Reported Performance:*

- The Committee noted a discrepancy between the Department's reported high performance and persistent public complaints about service delivery, raising concerns about the reliability of performance data.
- It requested clarity on the systems used to validate and verify reported performance, as well as an explanation for the gap between reported results and lived experiences at health facilities.
- The Committee further emphasised the need to improve the accuracy, transparency, and integrity of performance reporting.

4) *Accountability and Performance Management:*

- The Committee found the APP to be weak on accountability, with limited clarity on how performance will be monitored, enforced, and verified.
- Concerns were raised about the lack of clear corrective measures for previously underachieved targets and the insufficient alignment between financial allocations and measurable outputs and outcomes.
- The Committee stressed the importance of strengthening accountability mechanisms and ensuring that expenditure is directly linked to tangible service delivery improvements.

5) *Service Delivery Outcomes and Impact:*

- The Committee expressed concern about the weak correlation between increased health expenditure and improvements in service delivery outcomes.
- It noted the lack of sufficient, quantifiable evidence demonstrating how spending has translated into reduced waiting times, improved quality of care, or better facility conditions.
- The Committee highlighted that the current trend points to continued resource consumption without commensurate gains in patient experience and called for clearer evidence linking expenditure to measurable service delivery improvements.

6) *Financial Management and Expenditure Oversight:*

- The Committee noted the need for greater clarity and detail in the Department's financial reporting and requested further information in several key areas. In particular:
 - A detailed breakdown of accruals at year-end, including the proportion of accruals older than 30 days and confirmation on whether these are fully funded.
 - Comprehensive disclosure on irregular, fruitless and wasteful expenditure, including the underlying causes and corrective actions implemented.
 - Sought clarity on the controls in place to prevent fiscal dumping at year-end and to ensure prudent financial management practices.
- The Committee emphasised the importance of transparent, detailed, and timely financial reporting in line with the requirements of the Public Finance Management Act (PFMA) No. 1 of 1999.

7) *Compensation of Employees (CoE) Underspending:*

- The Committee noted concerns raised by the FFC regarding significant underspending on Compensation of Employees (CoE) within the National Department of Health. The Committee requested a detailed explanation for the underspending, including whether it is due to vacant posts, delays in recruitment, or budget misalignment.

8) *Audit Outcomes and Internal Controls:*

- The Committee noted with concern the persistence of repeat audit findings, indicating systemic weaknesses in internal controls.
- The Committee wanted to know the root causes of repeat audit findings and corrective actions implemented.
- The Committee questioned the Department regarding the implementation of effective consequence management.
- The Committee requested detailed reporting on governance and accountability measures, including:
 - The number of officials subjected to disciplinary processes.
 - The number suspended or dismissed.
 - Clear timelines for the implementation of corrective actions.

9) *Governance, Risk, and Oversight:*

- The Committee found that the APP does not adequately articulate key institutional risks and mitigation strategies.
- The Committee emphasised the need for a more transparent and comprehensive risk management framework to support effective oversight.

10) *Assurance on Use of Additional Funding:*

- The Committee expressed scepticism regarding the Department's ability to effectively utilise additional funding, given persistent weaknesses in governance, internal controls, and service delivery outcomes. It requested clear assurances that:
 - Additional resources will not perpetuate existing inefficiencies;
 - Concrete measures are in place to improve audit outcomes; and
 - Strengthened controls will translate into better health outcomes.

11) Legislative and Oversight Follow-ups:

- The Committee raised several outstanding matters requiring urgent attention:
 - An update on ongoing and *upcoming court cases related to the National Health Insurance*;
 - Progress on the incorporation of traditional healers, as previously recommended in the Budgetary Review and Recommendations Report (BRRR); and
 - An update on the status and implications of the African Medicines Agency Treaty.
- The Committee noted with concern the lack of feedback on these critical issues.

12) Medico-Legal Risk and Litigation Management:

- The Committee expressed concern regarding the growing fiscal and operational risks posed by medico-legal claims within the public health system.
- In this regard, the Committee requested
 - A comprehensive update on the current status of medico-legal cases across the country, including the total contingent liabilities, trends over time, and the primary drivers of litigation.
 - Clear information on measures being implemented to reduce the incidence of medico-legal claims and strengthen clinical governance.
 - An update on the implementation and effectiveness of the Medico-Legal Management System.

13) Emergency Medical Services (EMS) Capacity:

- The Committee noted the importance of understanding the current state and capacity of Emergency Medical Services (EMS) across the country, particularly in relation to response times, fleet availability, and service reliability.
- The Committee therefore requested a comprehensive report detailing:
 - The total number of ambulances available per province;
 - The number of ambulances currently operational and roadworthy;
 - The number of ambulances that are non-operational or awaiting maintenance and repair; and

- The extent of reliance on privately contracted ambulance services, including associated costs and contractual arrangements.

14) Patient Experience and Waiting Times:

- The Committee expressed concern regarding persistently long waiting times at public healthcare facilities, which continue to undermine patient experience and access to care. The Committee requested:
 - A detailed account of interventions implemented to reduce waiting times across facilities.
 - Measurable evidence demonstrating improvements, including reductions in patient waiting times and enhanced service efficiency.
- The Committee emphasised that improvements in patient flow and service responsiveness must be reflected as core performance outcomes.

15) Provincial Performance and Variability:

- The Committee noted uneven performance across provinces in relation to health service delivery. It therefore requested:
 - Identification of underperforming provinces based on key service delivery indicators.
 - A detailed analysis of the underlying causes of underperformance, including governance, financial management, human resources, and infrastructure constraints.
 - Targeted interventions to address these challenges and improve provincial performance.

16) Health Infrastructure:

- The Committee raised concerns regarding the condition of health infrastructure, noting that many facilities require urgent maintenance and upgrades. In particular, the Committee highlighted challenges in health facilities in Mpumalanga, including Azalea Clinic, which reportedly operates without a waiting area, and Mapulaneng Hospital, where infrastructural deficiencies were observed.
- The Committee requested a progress report on the rollout of the Ideal Clinic Programme.
- The Committee requested a comprehensive audit of health facilities requiring urgent maintenance, refurbishment, or replacement.

- The Committee found that there is insufficient clarity on the systems in place to monitor infrastructure spending at the provincial level. It therefore requested detailed information on monitoring and reporting mechanisms for infrastructure expenditure.

17) Oversight of Infrastructure Projects and Procurement Risks:

- The Committee expressed concern regarding delays in infrastructure projects, which are negatively impacted by procurement irregularities and corruption.
- The Committee requested:
 - Monthly updates on delayed infrastructure projects.
 - Detailed reporting on projects affected by tender-related irregularities.
 - Strengthened oversight mechanisms to prevent corruption and ensure timely project delivery.

18) Governance Instability and Leadership Accountability:

- The Committee expressed concern regarding instability in senior leadership within the Department. In this regard, the Committee requested:
 - A comprehensive update on the status of the suspensions of the Director-General (DG), Chief Financial Officer (CFO), Deputy Director-General (DDG), and any other officials implicated.
 - Assurance that appropriate consequence management processes are being implemented to safeguard institutional integrity.
 - Clear plans and timelines to fill critical leadership positions to ensure stability and effective administration.

19) Lifestyle Audits and Ethical Governance:

- The Committee noted the emphasis placed by the Department of Public Works and Administration (DPWA) on the implementation of lifestyle audits across the public service. The Committee therefore requested confirmation on whether lifestyle audits have been conducted within the National Department of Health

20) HIV Programme Targets:

- The Committee expressed concern that targets related initiating HIV-positive individuals on treatment appear insufficiently ambitious, particularly in light of national commitments to achieve the 95-95-95 targets.
- The Committee requested a clear strategy outlining how the Department intends to reach the 95% treatment coverage target within the next three years.
- The Committee requested an update on the rollout of Lenacapavir, particularly in the context of strengthening the HIV prevention and treatment programme.

21) Tuberculosis (TB) Treatment Outcomes:

- The Committee noted with concern that the target for TB treatment adherence is at 81%, which it considers to be unambitious given the scale of the TB burden in the country.
- The Committee requested:
 - Justification for maintaining this target level.
 - Measures to improve treatment adherence and completion rates.
 - Alignment of targets with national and global TB elimination goals.

22) Maternal and Neonatal Health Indicators:

- The Committee enquired about the use of neonatal mortality as a primary outcome indicator, noting that it may not fully capture the continuum of care from pregnancy through delivery. It suggested a consideration of perinatal mortality as a more comprehensive outcome measure.
- The Committee sought information on the proportion of hospitals in South Africa that are implementing perinatal audit programmes.

23) Measurable Service Delivery Improvements:

- The Committee emphasised the need for tangible, citizen-centred outcomes arising from the Department's plans and budget. It therefore requested:
 - Clear, measurable indicators of improvement to be realised by the end of the financial year, including reductions in maternal mortality, decreased medicine stockouts, and increased employment of health professionals.
 - A results framework that demonstrates how planned interventions will translate into visible improvements in patient care and system performance.

24) Human Resources for Health (HRH) Strategy:

- The Committee noted ambiguity in the Department's commitment to "optimise" human resources for health. It raised concern that this may reflect increased workloads for already overburdened staff rather than meaningful workforce expansion.
- The Committee requested, clarification on whether optimisation entails recruitment, redistribution, or increased productivity expectations and concrete plans to address workforce shortages.
- The Committee raised concern regarding staffing gaps and the potential freezing of funded posts. It requested:
 - The number of funded posts currently frozen.
 - A comprehensive breakdown of vacancy rates across all staff categories.
 - Measures to accelerate recruitment and ensure critical posts are filled.

- The Committee expressed concern regarding delays in the placement of qualified doctors and other health professionals. The Committee requested a comprehensive plan to ensure timely placement of qualified medical graduates

25) National Health Insurance and Public Sector Capacity:

- The Committee noted that it had cautioned against the risk of capture in the implementation of the National Health Insurance (NHI).
- The Committee raised concerns about whether the NHI will sufficiently strengthen public sector capacity or inadvertently serve as a procurement channel for private capital.
- The Committee requested:
 - Assurance that NHI implementation will prioritise strengthening public healthcare facilities.
 - Clarity on the proportion of future NHI expenditure that will be directed towards building state capacity.
 - Detailed funding mechanisms to ensure sustainability and equity in the health system.

26) Donor Funding and Sustainability:

- The Committee expressed serious concern regarding reliance on donor funding for critical HIV and TB programmes, noting that this poses a significant risk to programme continuity.
- The Committee requested:
 - A comprehensive plan for transitioning towards full domestic financing of HIV and TB programmes.
 - Clear timelines and funding commitments to reduce donor dependency.
 - Risk mitigation strategies to ensure continuity of services.
- The Committee expressed concern regarding the impact of recent international funding cuts on health research in South Africa. In particular, it noted the funding gap affecting institutions such as the SAMRC.
- The Committee requested:
 - Details on how the National Department of Health is supporting research entities to mobilise alternative funding sources.
 - Strategies to ensure sustainability of critical health research programmes.
 - Measures to mitigate the impact of reduced external funding on innovation, clinical trials, and evidence-based policymaking.
- The Committee specifically noted the impact of funding changes from PEPFAR on counsellors in Thuthuzela Care Centres and requested clarity on how these gaps will be addressed.

27) Corruption, Procurement Integrity and Accountability:

- The Committee expressed grave concern regarding ongoing corruption risks within the health sector, referencing past and current cases.
- The Committee requested:
 - The number of contracts currently under investigation within the Department.
 - The number of officials facing criminal charges.
 - Information on whether politically connected contractors continue to receive government work.
 - Planned safeguards to prevent recurrence of irregularities similar to the Digital Vibes scandal.
 - A detailed update on concerns previously raised regarding the R15 billion antiretroviral (ARV) tender.
- The Committee emphasised that restoring public trust requires decisive action, transparency, and consistent consequence management.

28) Mental Health Grant and GP Contracting:

- The Committee requested a comprehensive report on the implementation of pilot initiatives under the NHI, specifically relating to the mental health grant and GP contracting.
- The Committee sought clarity on:
 - Progress made to date.
 - Key lessons learned.
 - Challenges encountered and how these have been addressed.
 - How these lessons will inform the broader rollout and implementation of the NHI.

29) Mental Health Services and Oversight:

- The Committee expressed deep concern regarding the state of mental health services, particularly in light of recent incidents and systemic gaps.
- The Committee noted:
 - The absence of clear targets and indicators in the APP to measure improvements in mental health services
 - Concerns regarding planned patient decanting processes in Gauteng, with the Committee cautioning against a recurrence of failures similar to the Life Esidimeni tragedy
- The Committee requested:
 - Clear performance indicators and targets for mental health services.
 - Assurance that patient transfers and deinstitutionalisation processes will be managed safely and in compliance with clinical standards.

30) Digital Health Systems and Interoperability:

- The Committee raised concerns regarding the procurement and rollout of electronic health records systems and the lack of alignment across provinces.
- The Committee requested:
 - Clarification on why the Western Cape is not part of the national system.
 - Whether provinces have the option to opt out of the system and the implications thereof.
 - Assurance that interoperability and standardisation will be achieved across all provinces to support an integrated national health information system.
- The Committee emphasised that fragmented digital systems may undermine the effective implementation of the NHI.

31) National Health Insurance

- The Committee requested an update on ongoing court cases related to the implementation of the National Health Insurance.
- The Committee sought clarity on the potential role that Parliament, and specifically the Committee, can play in navigating or responding to these legal challenges
- The Committee raised a strategic concern regarding the relationship between public sector revitalisation and the implementation of the NHI.
- The Committee queried:
 - Whether it is feasible to delink, or more clearly sequence, the revitalisation of the public healthcare system from the rollout of the NHI.
 - Whether sufficient investment and reform in the public sector are being prioritised as a foundation for successful NHI implementation.
- The Committee emphasised that a strong, functional public health system is a prerequisite for the effective and equitable rollout of the NHI.

32) Climate Change, Disasters and Health System Preparedness:

- The Committee noted the increasing impact of climate-related disasters, including recent flooding in Limpopo, Mpumalanga, and parts of KwaZulu-Natal, and requested an update on whether the Department has refined its disaster management and emergency preparedness plans in response to climate risks.

33) Vaccine Development and Research Collaboration:

- The Committee sought clarity on progress in vaccine development, particularly in relation to tuberculosis.
- It requested:
 - An update on efforts to develop new or improved TB vaccines, including potential alternatives to the Bacillus Calmette–Guérin vaccine (BCG).

- Details on collaboration with the Department of Science, Technology and Innovation (DSTI) and other partners.
- South Africa's role in global vaccine research and development initiatives.

34) Malaria Elimination and Climate Impact:

- The Committee requested the Department to present its malaria elimination plan, particularly in the context of changing climate patterns.

4.2. Observations on Entities

4.2.1. CMS

- Members noted a disconnect between APP indicators and actual service delivery outcomes, particularly where performance is reported in percentages without clear baselines or denominators.
- The Committee observed concerns regarding the high compensation of employees, with Members questioning whether staffing levels and remuneration are aligned to operational needs.
- The CMS was noted to be operating under unfunded critical pressures, including employee benefits, ICT requirements, and operational reserves, raising concerns about medium-term financial sustainability.
- The Committee noted a continued reliance on levy income from medical schemes, with limited diversification of revenue streams despite declining performance in other income categories.
- The Committee observed a lack of clarity on the CMS turnaround strategy, particularly in relation to financial sustainability, efficiency improvement, and cost containment.
- The Committee noted that litigation and labour-related disputes are contributing significantly to expenditure, with insufficient detail on root causes and mitigation strategies.
- Members expressed concern about cybersecurity vulnerabilities, particularly in light of recent attacks on other health entities.
- A decline in ICT performance targets and user satisfaction levels was noted, with Members questioning the downward adjustment of performance standards.
- The Committee noted that while CMS reports generally positive audit outcomes, concerns remain about whether this reflects true institutional performance or compliance on paper only.
- Weaknesses were observed in consequence management mechanisms, particularly regarding enforcement of CMS rulings on medical schemes.

- The Committee noted the ongoing concerns about affordability of medical schemes, including rising premiums, co-payments, and out-of-pocket expenses.
- Members raised concern regarding waiting periods and benefit structures, with questions on fairness and transparency to members.
- The Committee observed non-compliance by certain medical schemes with CMS directives, with limited clarity on enforcement outcomes.
- Concerns were raised regarding solvency risks in certain medical schemes, including the absence of clear updates on intervention measures.
- Concerns were raised about reduction in research outputs, despite CMS's mandate to support evidence-based health policy development, including the NHI transition.
- Members requested clarity on Section 59 and other legal costs, and whether preventative measures are in place to reduce litigation exposure.
- Members emphasised the need for CMS to prioritise equity, affordability, and transformation within the medical schemes environment.
- The Committee noted public concerns regarding potential discriminatory practices in claims processing and scheme operations, requiring further investigation and reporting.

4.2.2. SAMRC

- The Committee observed inconsistencies in performance measurement frameworks, particularly where outputs are reported without clear numerators and denominators.
- Members raised concern that percentage-based reporting is often not sufficiently transparent or verifiable, making oversight difficult.
- The Committee noted inconsistencies in target setting and performance benchmarking, including reductions in targets without clear justification.
- The Committee observed with concern the loss of significant international funding, particularly from United States-based institutions, which has affected research continuity and institutional stability.
- Members noted that SAMRC remains heavily dependent on external donor funding and grants, raising concerns about long-term sustainability and vulnerability to global funding shifts.
- Members expressed concern regarding the extent of influence of international donors and philanthropic organisations on national research priorities.
- The Committee observed a need for greater transparency on funding agreements with entities such as the Gates Foundation and other global partners, including conditions attached to funding.

- Questions were raised regarding mechanisms to ensure research independence and protection from external agenda-setting.
- The Committee observed limited clarity on alternative funding models, including monetisation of research outputs and expansion of domestic funding streams.
- Concerns were raised regarding the adequacy of the 2026/27 budget, particularly in relation to whether it is sufficient to support comprehensive national research priorities.
- The Committee observed strong concerns regarding whether SAMRC research funding is adequately aligned to diseases disproportionately affecting Black, rural, and working-class communities, including TB, maternal health, mental health, and environmental health risks.
- Members noted the need for clearer evidence of equitable distribution of research funding across historically disadvantaged universities versus historically privileged institutions.
- Concerns were raised regarding representation of women, youth, and emerging scientists in principal investigator roles, with calls for accelerated transformation of leadership structures.
- The Committee observed a gap in clearly demonstrating how SAMRC-funded research translates into concrete government policy changes and measurable health outcomes.
- Members requested stronger reporting on the policy impact of research outputs, beyond academic publications.
- Concerns were raised about whether research outputs are sufficiently aligned to NHI implementation priorities and national health system needs.
- Members highlighted the importance of updated and comprehensive data on the quadruple burden of disease in South Africa, including NCDs, infectious diseases, violence, and maternal health challenges.
- Concerns were raised regarding increases in cancer incidence, antimicrobial resistance, and hospital-acquired infections, and the extent of SAMRC research response in these areas.
- The Committee observed strong interest in the integration of Indigenous knowledge systems into mainstream scientific research frameworks.
- Members raised concerns regarding intellectual property ownership, community benefit sharing, and protection against indigenous knowledge extraction.
- The Committee noted that South Africa may be lagging behind international peers in formalising Indigenous medicine validation systems, particularly compared to countries such as India and China.
- Members observed that SAMRC maintains multiple partnerships but requested greater transparency on the geographical spread and strategic value of these collaborations.
- The Committee noted the need for clearer reporting on infrastructure development, refurbishment, and geographic distribution of research facilities.
- Members noted the need for clarity on priority research areas, particularly in cancer, antimicrobial resistance, and chronic disease prevention.

- Questions were raised regarding the extent of SAMRC involvement in vaccine research, clinical trials, and translational science.

4.2.3. MWCF

- The Committee raised concern over declining performance targets, particularly where projected outputs (e.g., certifications and claims finalisation) are lower than previous actual performance, suggesting possible regression or resource constraints.
- The Committee raised concerns about the lack of clear performance indicators beyond financial metrics, particularly in relation to health outcomes, turnaround times, and equitable access.
- The Committee noted with concern the lack of clarity regarding procurement processes, particularly the requirement for the Fund to procure goods and services through the Department of Health. The practical implications of this arrangement, including potential delays and administrative inefficiencies, were not adequately explained.
- The Committee observed that a significant number of eligible beneficiaries (approximately 73,000) remain untraced and uncompensated, despite ongoing efforts. This represents a serious gap in service delivery, particularly given the aging and deteriorating health of affected individuals.
- The Committee expressed concern that current outreach and tracing mechanisms are insufficient, with limited evidence of large-scale, coordinated public awareness campaigns to reach beneficiaries.
- The Committee noted with concern that the reduction in staff complement (from 46 to 35 posts) may negatively impact the Fund's ability to process claims efficiently and address historical backlogs.
- The Committee noted a decline in revenue from levies, raising concerns about the long-term financial sustainability of the Fund, especially given its reliance on contributions from the mining sector.
- The Committee observed inconsistencies between certifications issued and claims paid, indicating possible bottlenecks in converting eligibility into actual compensation.
- The Committee expressed concern about the slow pace of claims processing and payment, despite reported improvements in certification rates.
- The Committee noted that while stakeholder engagement is reported (e.g., with trade unions and other bodies), there is limited evidence that such engagements translate into improved outcomes for beneficiaries.
- The Committee highlighted ongoing challenges in cross-border claims processing, particularly for migrant mineworkers, which continue to hinder equitable access to compensation.

- The Committee observed that despite projected financial surpluses, there is limited clarity on how these funds will be reinvested to improve capacity, modernise systems, and eliminate backlogs.
- The Committee noted systemic weaknesses in tracing beneficiaries, exacerbated by historical data limitations, poor record-keeping, and lack of integrated information systems.
- The Committee expressed concern regarding the Fund's reliance on support from the Minerals Council, particularly in light of potential conflicts of interest and risks to institutional independence.
- The Committee further observed that the relationship between levy contributors and the Fund's operational support structures may create governance risks, especially where oversight and accountability may be compromised.
- The Committee noted that tracking and tracing systems remain fragmented and inefficient, with limited integration across government entities such as Home Affairs and electoral systems.
- The Committee expressed concern that beneficiaries and their families may still not be adequately reached, even in cases where compensation is due, undermining the Fund's mandate.

4.2.4. OHSC

- The Committee requested clear, consolidated data on the overall compliance status of public health facilities, including the proportion that are fully compliant, partially compliant, or critically non-compliant.
- The Committee observed that inspection coverage remains significantly low, with indications that only about 20% of public health facilities are inspected annually. At this rate, a substantial proportion of facilities remain uninspected in any given year, raising serious concerns about the regulator's ability to assure system-wide compliance.
- The Committee expressed concern that the current inspection model appears closer to a sampling approach rather than a comprehensive regulatory system, thereby undermining the OHSC's legislative mandate to ensure consistent adherence to norms and standards across all facilities.
- The Committee noted a lack of clarity on the number of facilities compliant and ready for NHI implementation, particularly in relation to the total number of public hospitals, clinics, and community health centres.
- The Committee further observed that the OHSC does not provide sufficient transparency on provincial performance, including identification of persistently underperforming provinces and the root causes of repeated non-compliance despite the issuance of compliance notices.

- Serious concern was raised regarding the credibility of compliance certification, given ongoing reports from patients of poor conditions, including medicine shortages, broken equipment, long waiting times, and unsafe environments. This raises questions about the robustness and depth of inspection processes.
- The Committee noted insufficient reporting on enforcement outcomes, including the number of facilities subjected to sanctions, closures, licence suspensions, or other legal actions. This creates a perception that enforcement lacks consequence and deterrent effect.
- The Committee observed that repeat non-compliance by certain facilities and provinces persists, with limited evidence of escalation or accountability measures against responsible officials.
- The Committee expressed concern over delays in complaint resolution, including a significant proportion of cases exceeding six months and some extending beyond 24 months, undermining public confidence and access to timely justice.
- The Committee noted the lack of detailed reporting on complaint backlogs, including the number of unresolved cases, their age profile, and average turnaround times.
- The Committee further observed that budget allocation is heavily skewed towards compensation of employees (approximately 74%), raising concerns about whether sufficient resources are directed towards frontline inspection, enforcement and service delivery functions.
- The Committee noted that the OHSC's current capacity constraints, including the number of inspectors, may be insufficient to meet its expanding regulatory mandate, particularly in the context of NHI implementation.
- The Committee expressed concern about inequalities in compliance, particularly between rural and urban areas, and the potential disproportionate impact of non-compliance on poor and historically disadvantaged communities.
- The Committee further observed that there is limited evidence of proactive public engagement and awareness, particularly regarding mechanisms such as complaints systems and suggestion boxes.

4.2.5. NHLS

- The Committee observed with concern that the entity continues to report compliance with its legislative mandate, notwithstanding the receipt of a disclaimer audit opinion and recurring performance challenges. The Committee is of the view that there appears to be a misalignment between the entity's reported compliance and its ongoing audit outcomes and performance results.
- The Committee observed that the entity continues to exhibit systemic governance and operational failures, which are not adequately addressed through corrective planning.

- The Committee further observed that the entity has not provided clear, time-bound quarterly milestones outlining how it intends to transition from a disclaimer audit opinion to at least a qualified audit outcome.
- The Committee noted with serious concern the absence of demonstrable consequence management, particularly at executive level.
- The Committee observed that there is insufficient clarity regarding performance targets for medical scientists and technologists, particularly in comparison to pathology targets. Concerns were raised that targets may be set at low levels, enabling overstated performance achievements.
- The Committee further noted that challenges in the implementation of innovation initiatives may be contributing to staff attrition, with skilled professionals reportedly seeking opportunities in the private sector, potentially due to concerns around working conditions and limited prospects for career advancement.
- The Committee expressed serious concern that prolonged turnaround times for pathology results, particularly in critical diseases such as cancer, pose serious risks to patient outcomes.
- The Committee observed that systemic failures within the entity are not sufficiently acknowledged or addressed, despite their direct impact on patient care and public health outcomes.
- The Committee noted that the entity has not adequately demonstrated compliance with the Organisational Laboratory Framework, particularly in relation to service efficiency and cost-effectiveness.
- The Committee further observed that the entity has not sufficiently addressed its role in academic training and university partnerships, despite contractual obligations to support training of medical professionals.
- The Committee noted that failures in training capacity have resulted in universities relying on private sector providers to deliver training services, which is not aligned with the intended public sector mandate.
- The Committee observed that systemic inefficiencies in laboratory services are affecting ordinary citizens' access to timely healthcare, particularly where delayed diagnoses impact life-threatening conditions.
- The Committee further noted concerns regarding the cost-effectiveness of laboratory services, particularly in relation to prolonged turnaround times and operational inefficiencies.
- The Committee concluded that the entity has not sufficiently demonstrated how it is addressing structural and systematic failures, despite repeated reporting of operational challenges.
- The Committee emphasised that future engagements must move beyond descriptive reporting and must provide measurable interventions, clear timelines, and accountability for implementation.

- The Committee is of the view that persistent systemic, governance, operational, and workforce challenges within the entity are materially affecting its ability to deliver equitable, timely, and effective diagnostic services.
- The Committee noted with concern that the NHLS continues to operate under significant financial constraints, which are adversely affecting its ability to sustain core laboratory services, maintain infrastructure, and invest in modernisation.
- The Committee further expressed serious concern regarding the persistent non-payment and late payment by provincial departments of health for services rendered by the NHLS. The Committee observed that this ongoing accumulation of debt is a primary driver of the entity's financial instability and cash flow challenges.

4.2.6. SAHPRA

- The APP continues to prioritise output-based indicators (e.g., applications processed) rather than outcome-based indicators such as backlog reduction, turnaround improvement, and patient impact.
- Targets for key interventions, such as implementation of staff satisfaction survey recommendations, are set below full completion (e.g., 80% instead of 100%), raising concerns about ambition and accountability.
- Despite reported improvements, concerns remain regarding persistent backlogs in medicine registration, inspectorate functions, and clinical trial approvals.
- Variations in turnaround times, including increases in certain licensing categories (e.g., GWP-related licences), require further explanation.
- There is limited clarity on how SAPRA prevents recurrence of historical backlogs.
- The Committee noted ongoing human resource shortages and difficulty attracting and retaining highly skilled professionals, particularly in scientific and technical fields.
- Concerns were raised regarding staff turnover and the impact of working conditions on institutional stability.
- Questions remain regarding SAPRA's capacity for active post-market surveillance, beyond licensing and registration functions.
- Limited information was provided on the scale of counterfeit medicines and enforcement effectiveness.
- The Committee observed heavy reliance on imported medicines, APIs, and medical technologies.
- Limited measurable progress was presented on:
 - Local pharmaceutical manufacturing.
 - Black-owned enterprise participation.
 - Transformation within procurement systems.
- Data on demographic representation and procurement distribution remains insufficiently detailed.

- Progress on Indigenous African medicine regulation, validation, and commercialisation is perceived as slow. Concerns persist regarding:
 - Biopiracy risks
 - Intellectual property protection
 - Institutional marginalisation of African medicinal systems
- The regulatory framework for medical devices, diagnostics, and point-of-care technologies remains underdeveloped relative to demand.
- SAPRA's readiness to regulate emerging technologies such as AI-driven diagnostics is unclear.
- Concerns were raised regarding protection of vulnerable communities participating in clinical trials.
- The adequacy of ethical safeguards and enforcement mechanisms requires further clarification.
- Digitisation initiatives have not yet demonstrated sufficient safeguards against:
 - Procurement concentration risks.
 - Data manipulation.
 - Weak cybersecurity oversight.
- Full procurement transparency, including beneficiary disclosures, remains outstanding.
- Collaboration between SAPRA and national research and innovation bodies is not sufficiently structured or outcome-driven.

5. COMMITTEE RECOMMENDATIONS

The Portfolio Committee recommends that the Minister of Health should consider the following:

5.1. Department of Health

1. *Strategic Planning, Performance, and Accountability:*

- The Department must institutionalise outcome-based planning, ensuring explicit alignment between budget allocations, programme outputs, and measurable service delivery outcomes, with clearly defined indicators and baselines.
- A comprehensive results framework must be developed and submitted within 60 days, demonstrating clear linkages between past performance, identified gaps, and planned interventions.
- The Department should implement independent verification and validation mechanisms for reported performance information, including periodic internal audit reviews and external assurance where necessary.

- The Department must table a corrective action plan addressing all targets not achieved in prior financial years, including responsible officials, timeframes, and measurable recovery milestones.

2. Financial Management, Audit Outcomes, and Internal Controls:

- The Department must submit, within 30 days, a detailed breakdown of year-end accruals, including an ageing analysis, funding sources, and a clear plan for liquidation.
- A comprehensive report on irregular, fruitless, and wasteful expenditure must be tabled, detailing root causes, responsible officials, and corrective and preventative actions.
- The Department should implement strict expenditure controls to eliminate fiscal dumping, including monthly expenditure tracking against performance outputs.
- Full compliance with PFMA, particularly Section 40, must be enforced, with quarterly compliance reports submitted to the Committee.
- The Department must strengthen consequence management, providing quarterly reports detailing disciplinary actions, suspensions, dismissals, and progress on case finalisation.

3. Governance, Risk Management, and Leadership Stability:

- The Department must develop and implement a comprehensive, transparent enterprise risk management framework, aligned with strategic and operational risks, within 90 days.
- Detailed progress reports on investigations involving senior officials must be submitted quarterly, including reasons for investigations, status, and expected timelines for finalisation.
- The Department must expedite the filling of all critical leadership vacancies within a defined timeframe not exceeding six months.
- A report confirming the implementation and outcomes of lifestyle audits for senior management must be submitted to the Committee.

4. Service Delivery and Patient Experience:

- The Department must provide quantifiable evidence of improvements in waiting times, patient flow, and service efficiency, supported by facility-level data.
- A diagnostic report on underperforming provinces must be submitted, outlining systemic challenges, resource gaps, and targeted remedial interventions.
- The Department should implement equity-focused interventions to ensure uniform quality of care across provinces, with progress reported bi-annually.

5. Human Resources for Health (HRH):

- The Department must submit a clarified and costed Human Resources for Health Strategy, specifying whether optimisation will be achieved through recruitment, redistribution, or productivity improvements.
- A comprehensive vacancy analysis must be provided, including funded vacant posts, critical skills gaps, and timelines for filling positions.
- Mechanisms must be implemented to ensure the timely placement of qualified health professionals, with quarterly reporting on placement rates.

6. Health Infrastructure and Capital Investment:

- The Department must conduct and submit a national audit of health infrastructure, identifying facilities requiring maintenance, refurbishment, or replacement.
- A time-bound infrastructure recovery plan must be developed to address existing backlogs.
- Strengthened monitoring and reporting systems for infrastructure expenditure at provincial level must be implemented.
- Quarterly updates must be provided on delayed infrastructure projects, including causes, financial implications, and mitigation measures.

7. Emergency Medical Services (EMS):

- The Department must submit a comprehensive provincial breakdown of ambulance fleets, including numbers, functionality, and compliance with norms and standards.
- A report on maintenance backlogs and EMS operational capacity must be provided, including turnaround times.
- Full disclosure of the use of private ambulance services, including costs, procurement processes, and contract management, must be submitted.

8. Medico-Legal Risk and Litigation:

- The Department must provide a comprehensive report on contingent liabilities, including trends, financial exposure, and settlement patterns.
- A root cause analysis of medico-legal claims must be conducted to identify systemic weaknesses.
- The Department should strengthen clinical governance and patient safety systems to mitigate litigation risks.
- A detailed report on the medico-legal case management system must be submitted, including its effectiveness and planned improvements.

9. Disease Programmes (HIV, TB, Malaria, and Maternal Health):

- The Department must submit a clear, time-bound strategy to achieve the 95-95-95 HIV targets, with measurable milestones.

- A sustainable domestic financing plan for HIV and TB programmes must be developed to reduce reliance on donor funding.
- Targeted interventions must be implemented to improve TB treatment adherence and completion rates, with measurable indicators.
- The Department should strengthen interventions to improve maternal and perinatal health outcomes, particularly in high-burden districts.

10. National Health Insurance:

- The Department must provide regular updates on all court cases relating to the NHI
- The Department must demonstrate, through measurable indicators, how NHI implementation will strengthen public sector capacity, reduce inequities, and improve access to quality healthcare.
- A detailed report on funding mechanisms, cost projections, and long-term fiscal sustainability must be submitted, including risks to the national budget.
- The Department should provide regular, transparent progress reports to Parliament on both public healthcare revitalisation and NHI preparatory work, explicitly indicating how the two processes are aligned and sequenced.
- The Department must table a comprehensive evaluation of all NHI pilot initiatives, outlining lessons learned, implementation gaps, and how these will be the broader rollout and implementation of the NHI.

11. Mental Health Services:

- The Department must develop and implement clear performance indicators and targets for mental health services.
- Strict compliance with clinical protocols for patient transfers must be enforced, with accountability mechanisms in place.
- Oversight and governance mechanisms for mental health services must be strengthened and regularly reported on.

12. Digital Health Systems and Interoperability:

- The Department must ensure standardisation and interoperability of all digital health systems across provinces.
- A national digital health architecture framework aligned to NHI requirements must be finalised and implemented.

13. Corruption, Procurement Integrity, and Accountability:

- The Department must submit detailed reports on all contracts under investigation, including implicated officials and status of criminal proceedings.
- Procurement systems must be strengthened through enhanced controls, transparency mechanisms, and real-time oversight tools.

- All major tenders must be subject to enhanced transparency and public disclosure requirements.

14. Research, Innovation, and Funding Sustainability:

- The Department should actively support research institutions in diversifying funding sources and strengthening partnerships.
- Measures must be implemented to ensure sustainability of critical health research programmes.
- The Department must safeguard evidence-based policymaking and innovation capacity within the health sector.

15. Climate Change and Emergency Preparedness:

- The Department must update and implement comprehensive disaster management and emergency preparedness plans, incorporating recent climate-related events.
- Strategies to enhance health system resilience to climate change must be developed and monitored.

16. Legislative and Oversight Follow-ups:

- The Department must provide quarterly updates on litigation and court cases.
- A progress report on the formal recognition and integration of traditional healers into the health system must be submitted.
- The Department must furnish the Committee with a detailed report on the status, implications, and implementation readiness of the African Medicines Agency Treaty.

17. Fiscal Sustainability and Budgeting:

- The Department should assess and incorporate relevant FFC recommendations to strengthen fiscal sustainability and improve the efficiency of resource allocation.

18. Non-payment of the NHLS by Provincial Departments

- The Department in collaboration with National Treasury, must implement a binding mechanism to ensure the timely payment of all amounts owed to the NHLS by provincial departments of health.

5.2. Entities

- All entities should ensure that they have proper systems in place to root out corruption, fraud and maladministration.

5.2.1. CMS

The Committee recommends that the entity:

- Provide a detailed breakdown of compensation of employees, including staffing structure justification and cost drivers.
- Develop and submit a comprehensive financial turnaround strategy, including revenue diversification beyond medical scheme levies.
- Report on measures to address unfunded liabilities and operational funding gaps, with clear timelines and accountability mechanisms.
- Submit a comprehensive cybersecurity risk mitigation plan, aligned to the National Cybersecurity Framework.
- Provide a detailed breakdown of ICT funding requirements, procurement plans, and vendor transparency.
- Restore and justify ICT performance targets, ensuring they reflect international and public sector standards rather than downward adjustments.
- Present a governance improvement plan to address gaps identified in governance scoring below benchmark.
- Strengthen consequence management mechanisms, particularly for medical schemes failing to comply with CMS rulings.
- Report on all litigation cases, CCMA matters, and labour disputes, including root causes and prevention strategies.
- Provide a comprehensive update on medical schemes that are not meeting solvency requirements, including intervention actions and timelines.
- Submit a report on enforcement actions against non-compliant medical schemes, including sanctions imposed.
- Clarify policy and oversight mechanisms regarding waiting periods, benefit structures, and member contributions, ensuring transparency and fairness.
- Provide data on downward migration of members from medical schemes due to affordability constraints over the past five years.
- Present a detailed affordability strategy, including measures to reduce premiums, co-payments, and out-of-pocket costs.
- Provide evidence-based interventions aimed at improving access for low-income and working-class households.
- Report on measures to address potential discriminatory practices within medical schemes, including audit findings and enforcement outcomes.
- Provide justification for the reduction in research projects and outline a plan to strengthen evidence generation for national health policy, including NHI support.
- Demonstrate how research outputs are aligned with regulatory and policy development priorities.

- Improve performance reporting frameworks, ensuring all percentage indicators include clear baselines, numerators, and denominators.
- Align APP indicators with outcomes rather than output-based reporting, particularly in regulatory impact areas.

5.2.2. SAMRC

The Committee recommends that the entity:

- Develop and submit a comprehensive funding diversification strategy, including domestic resource mobilisation and alternative financing models.
- Provide a detailed report on loss of international funding, including quantified impact on research capacity and mitigation measures.
- Explore and report on research monetisation and innovation commercialisation opportunities, including intellectual property development.
- Provide a breakdown of research funding allocation by institution type, including historically disadvantaged universities versus historically privileged institutions.
- Report on demographic transformation of principal investigators and leadership structures, including clear timelines for change.
- Provide data on research funding allocation to priority diseases affecting marginalised communities, including TB, maternal health, and mental health.
- Submit a report detailing how funded research has directly influenced national health policy over the past five years, including specific case studies.
- Strengthen mechanisms to ensure research is aligned with NHI implementation priorities and national health system reform goals.
- Develop a framework for measuring policy and health outcomes impact beyond academic outputs.
- Provide full disclosure of donor agreements, including funding conditions, duration, and strategic expectations.
- Develop and implement a framework to safeguard research independence and prevent donor-driven agenda distortion.
- Report on the composition and growth strategy of its donor base, including geographic diversification.
- Prioritise and report on research into cancer, antimicrobial resistance, and hospital-acquired infections, including current findings and interventions.
- Provide updated data on the quadruple burden of disease in South Africa, with clear policy implications.
- Strengthen research focus on health system pressures and service delivery constraints.
- Develop a formal Indigenous Knowledge Systems research and commercialisation framework, including validation protocols.

- Ensure community ownership and benefit-sharing mechanisms for Indigenous knowledge-based innovations.
- Report on collaboration with traditional healer structures, universities, and regional bodies on Indigenous medicine validation.
- Standardise all performance indicators to include clear numerators, denominators, and baseline values.
- Improve transparency in reporting target adjustments and performance deviations.
- Provide a comprehensive infrastructure map, including facility locations, refurbishment status, and future investment plans.
- Submit a list of all active MOUs and SLAs with international, regional, and continental partners, including strategic objectives.
- Report on how partnerships contribute to skills transfer, capacity building, and national research priorities.

5.2.3. MWCF

The Committee recommends that the entity should:

- Provide a detailed explanation of its procurement arrangements, including the extent of reliance on the Department of Health and the impact on operational efficiency, and propose measures to streamline procurement processes.
- Develop and implement a comprehensive national outreach strategy, including mass media campaigns (radio, television, and print), community-based initiatives, and facility-level communication to locate untraced beneficiaries.
- Significantly strengthen its tracing mechanisms, including:
 - Integration with government databases (e.g., population registers).
 - Partnerships with community organisations and local authorities.
 - Use of digital and data-driven tracing tools.
- Address human resource constraints by reviewing its staffing model and ensuring that critical posts are filled to support efficient claims processing and backlog reduction.
- Implement robust governance reforms to address audit findings, including strengthening internal controls, record management systems, and accountability mechanisms.
- Provide justification for reduced performance targets and develop a plan to restore and exceed previous performance levels.
- Develop a financial sustainability strategy, including measures to stabilise and diversify revenue streams beyond reliance on levies.
- Address the gap between certifications and claims paid, ensuring that eligible beneficiaries receive timely compensation.

- Establish and report on clear turnaround times for claims processing and payment, with targets and performance monitoring.
- Strengthen accountability mechanisms for stakeholder engagements, ensuring that such engagements result in measurable improvements in service delivery.
- Enhance cross-border coordination mechanisms, including formal agreements with neighbouring countries, to facilitate access to compensation for migrant workers.
- Develop a clear reinvestment strategy for projected surpluses, prioritising system modernisation, capacity building, and backlog elimination.
- Introduce impact-based performance indicators, including measures of beneficiary reach, service quality, and health outcomes.
- Accelerate the development of an integrated beneficiary management system, enabling efficient tracking, tracing, and verification of claims.
- Review and clarify its relationship with the Minerals Council, ensuring that institutional independence is safeguarded and that any support received does not compromise governance or accountability.
- Provide Parliament with a detailed report on tracing outcomes, including success rates, challenges, and timelines for reaching all outstanding beneficiaries.
- Strengthen domestic tracing efforts, ensuring that all beneficiaries within South Africa are prioritised and systematically reached.
- Adopt a proactive, beneficiary-centred approach, ensuring that no eligible claimant is excluded due to administrative inefficiencies or systemic limitations.

5.2.4. OHSC

The Committee recommends that the entity should:

- As a matter of urgency, provide a comprehensive national compliance report, disaggregated by facility type and province, clearly indicating levels of full, partial, and non-compliance.
- Develop and implement a clear plan to significantly increase inspection coverage, with defined annual targets aimed at achieving full national coverage within a reasonable timeframe.
- Strengthen its inspection methodology to ensure depth, consistency, and credibility, including unannounced inspections and verification of patient-reported conditions.
- Provide Parliament with a detailed account of facilities compliant and certified for NHI, including timelines for achieving full certification across the system.
- Introduce and publish a provincial performance dashboard, identifying persistently underperforming provinces and outlining targeted interventions and corrective measures.
- Strengthen its enforcement framework, including:

- Clear escalation protocols for repeat offenders.
- Increased use of sanctions, including closures and licence suspensions where warranted.
- Referral of cases for disciplinary or legal action against responsible officials.
- Submit a comprehensive report on enforcement actions, including the number and type of sanctions imposed, to demonstrate regulatory effectiveness.
- Develop and implement a robust consequence management system to address persistent non-compliance at both facility and provincial levels.
- Urgently address complaint resolution delays by:
 - Reducing backlog cases.
 - Improving turnaround times.
 - Publishing regular reports on complaint resolution performance.
- Provide a detailed breakdown of complaint data, including unresolved cases, age analysis, and category-based resolution times.
- Review its budget allocation model to ensure a greater proportion of resources is directed towards core regulatory functions, particularly inspections and enforcement.
- Submit to Parliament a capacity and funding gap analysis, including the number of inspectors required to achieve full coverage and the associated budget implications.
- Develop a geographic compliance mapping tool to identify areas of persistent non-compliance, particularly in rural and underserved communities, and implement targeted interventions.
- Enhance public awareness and engagement, including strengthening education on complaints mechanisms and ensuring effective use and monitoring of suggestion boxes.
- Provide a clear institutional position on whether the current public health system meets constitutional standards of dignity, safety, and quality, and outline remedial actions where gaps exist.
- Demonstrate a more assertive regulatory posture, ensuring that it operates as an effective enforcement authority rather than a primarily advisory body.

5.2.5. NHLS

The Committee recommends that the entity:

- Submit, within 30 days, a detailed report clearly reconciling its legislative obligations with its audit outcomes, including corrective actions to address identified gaps.
- Develop and submit a structured audit improvement plan with quarterly milestones, measurable targets, and clear accountability assignments.
- Submit a comprehensive consequence management report detailing all disciplinary actions, including names, positions, outcomes, and timelines.

- Undertake a full institutional diagnostic review to identify systemic failures and implement corrective reforms with measurable timelines.
- Review all staffing and performance targets for medical scientists and technologists to ensure they are aligned with service delivery needs, innovation objectives, and transformation goals, including digital pathology readiness.
- Develop a structured retention and innovation-linked human capital strategy, addressing working conditions, career progression, and workload pressures.
- Prioritise reduction of turnaround times for high-impact diagnostic services and submit quarterly performance reports on progress.
- Identify and address systemic operational failures in its APP, including corrective interventions linked to service delivery impact.
- Provide a compliance assessment against the Laboratory Framework, including identified gaps and corrective measures.
- Submit a detailed report on its training obligations to universities, including capacity constraints and measures to strengthen academic partnerships.
- Strengthen its academic training capacity and ensure fulfilment of contractual obligations with universities.
- Prioritise patient-centred performance indicators and ensure that turnaround times are aligned with clinical urgency.
- Conduct a cost-effectiveness review of its laboratory operations and implement efficiency-driven reforms.
- Develop a comprehensive systemic reform plan addressing governance, workforce capacity, innovation, and service delivery failures.
- All future submissions to Parliament include evidence-based reporting, quantified targets, and named accountability structures.
- Submit a consolidated turnaround plan addressing all observations contained in this report, with clear implementation timelines and quarterly reporting obligations to Parliament.
- In consultation with the National Department of Health and National Treasury, develop and submit a comprehensive financial sustainability plan.
- The NHLS must report quarterly to the Committee on:
 - Outstanding provincial debt; and
 - Payments received.

5.2.6. SAHPRA

The Committee recommends that the entity should:

- Revise its Annual Performance Plan (APP) to incorporate clearly defined, outcome-based indicators that measure:

- Backlog reduction across all regulatory streams;
- Processing turnaround times for applications and approvals; and
- Improvements in patient access to safe, quality-assured products.
- Ensure that all performance targets are credible, measurable, and aligned to full institutional accountability, with a presumption of 100 per cent achievement in respect of core regulatory functions, unless otherwise justified to Parliament.
- Submit to the Committee a comprehensive backlog elimination and prevention plan, which must include:
 - A detailed root cause analysis of all existing backlogs;
 - Time-bound backlog clearance targets; and
 - Specific systemic interventions to prevent recurrence.
- Submit quarterly progress reports to the Committee on:
 - Registration backlogs;
 - Licensing and approval delays; and
 - Inspectorate capacity, coverage, and productivity.
- Develop and implement a comprehensive recruitment and retention strategy for scarce and critical scientific skills, including retention incentives and career development pathways.
- Submit to the Committee a report detailing:
 - All funded and unfunded vacancies;
 - Critical posts; and
 - A time-bound plan to fill all critical vacancies, with quarterly milestones.
- Strengthen its post-market surveillance systems to ensure the proactive detection, monitoring, and removal of unsafe, substandard, and counterfeit products.
- Submit an annual enforcement and surveillance report to the Committee, detailing:
 - The prevalence and trends of counterfeit and substandard medicines;
 - Enforcement actions undertaken, including seizures, recalls, and prosecutions; and
 - Regulatory sanctions imposed and compliance outcomes.
- Submit to the Committee a framework outlining regulatory incentives to promote local pharmaceutical manufacturing, innovation, and supply chain resilience.
- Develop and submit measurable and time-bound targets for:
 - Increasing local medicine production capacity; and
 - Enhancing procurement participation by black-owned and women-owned enterprises.
- Submit to the Committee a framework outlining mechanisms to:
 - Prevent biopiracy; and
 - Protect indigenous knowledge systems and associated intellectual property rights.
- Establish a fully resourced, time-bound programme for the validation, standardisation, and regulation of indigenous African medicines. The entity must report biannually on progress made in implementing this programme.
- Submit to the Committee a comprehensive regulatory framework medical device; point-of-care diagnostics; and AI and digital health technologies.

- Strengthen its ethical oversight frameworks to ensure the protection of vulnerable populations in clinical trials, supported by enforceable compliance and monitoring mechanisms.
- Implement procurement transparency measures, including:
 - Disclosure of ultimate beneficiaries; and
 - Reporting on BBBEE participation and compliance.
- Implement robust cybersecurity and artificial intelligence governance frameworks, including:
 - Risk management protocols;
 - Data protection safeguards; and
 - Incident detection and response systems.
- The entity must report quarterly on governance, transparency, and cybersecurity measures.

6. CONCLUSION

Unless otherwise indicated, the Department of Health and its entities should respond to the Committee recommendations within **three months (90 days)** from the day the report is adopted by the House.

Report to be considered.

National Council of Provinces

1. REPORT OF THE SELECT COMMITTEE ON PUBLIC INFRASTRUCTURE AND MINISTER IN THE PRESIDENCY ON THE PORTFOLIO COMMITTEE ON TRANSPORT'S RECOMMENDATION OF PREFERRED NOMINEES FOR APPOINTMENT TO THE AVIATION SAFETY INVESTIGATION BOARD. DATED, 7 MAY 2026.

The Select Committee on Public Infrastructure and the Minister in the Presidency (the Select Committee), having exercised its consultative role in terms of the Rules of Parliament, and having considered the process followed by the Portfolio Committee on Transport in recommending preferred nominees for appointment to the Aviation Safety Investigation Board ("ASIB"), reports as follows:

Section 15(2)(d) and (e) of the Civil Aviation Amendment Act, 2021 (Act No. 22 of 2021), places a statutory obligation on the Minister of Transport to submit shortlisted nominations for appointment to the ASIB to Parliament for consideration. In correspondence dated 29 April 2026, the Portfolio Committee on Transport formally apprised the Select Committee of the process it undertook in the interviewing, screening and evaluation of candidates, confirming alignment with the prescripts of the Act. The correspondence further invoked National Assembly Rule 167(e), which provides for inter-House consultation between committee structures in the execution of their respective mandates.

The request for Parliament to engage with the shortlisted candidates for appointment as members of the ASIB, as contemplated in section 15(2)(e) of the Civil Aviation Act, 2009 (Act No. 13 of 2009), as amended, was formally referred to the Select Committee through Announcements, Tablings and Committee Reports (ATC) No. 75 of 2026, dated Monday, 4 May 2026.

At its meeting of 7 May 2026, the Select Committee was briefed on the process undertaken by the Portfolio Committee on Transport, measured against the applicable legislative and procedural requirements. Having been duly consulted, the Select Committee records that the Portfolio Committee exercised its responsibilities in a manner consistent with the provisions of the Act, the Rules of Parliament, and established parliamentary practice in respect of public appointments. The Select Committee accordingly affirms that the process followed to recommend preferred nominees for appointment to the ASIB to the Minister of Transport compliant with relevant legal requirements and Rules of Parliament.

Report to be considered

2. REPORT OF THE SELECT COMMITTEE ON PUBLIC INFRASTRUCTURE AND MINISTER IN THE PRESIDENCY ON THE PORTFOLIO COMMITTEE ON TRANSPORT'S RECOMMENDATION OF PREFERRED NOMINEES FOR APPOINTMENT TO THE TRANSPORT ECONOMIC COUNCIL. DATED, 7 MAY 2026.

In the Committee meeting of 7 May 2026, the Select Committee was briefed on the process undertaken by the Portfolio Committee, against the requirements of the Act. Having been consulted by the Portfolio Committee, the Select Committee reports that it notes that the Portfolio Committee has complied with the requirements of the Act in the process followed to recommend preferred nominees for appointment to the TEC, to the Minister.

The Select Committee on Public Infrastructure and Minister in the Presidency (the Select Committee), having considered the process undertaken by the Portfolio Committee on Transport in recommending preferred nominees for appointment to the Transport Economic Council (TEC), reports as follows:

Section 47(3) of the Economic Regulation of Transport Act, 6 of 2024 ("the Act") requires the Minister of Transport to submit shortlisted nominations for appointment to the Transport Economic Council to the relevant Portfolio Committee of the National Assembly, which must, in a consensus-seeking manner, consult the corresponding Select Committee in the National Council of Provinces.

In correspondence dated 18 March 2026, the Portfolio Committee on Transport outlined the process followed in interviewing and screening candidates, in accordance with the requirements of the Act. The correspondence further drew the attention of the Select Committee to National Assembly Rule 167(e), which empowers portfolio committees, subject to the Constitution, legislation, and the Rules and resolutions of the Assembly, to consult with any committee of the National Council of Provinces for purposes of performing their functions.

On 7 May 2026, the Select Committee was briefed on the process undertaken by the Portfolio Committee on Transport against the requirements prescribed by the Act. Following this briefing and consultation, the Select Committee notes that the Portfolio Committee complied with the legislative and procedural requirements governing the recommendation of preferred nominees for appointment to the Transport Economic Council and accordingly reports its

concurrence with the process followed. The Select Committee supports the submission of the recommended nominees to the Minister of Transport for appointment, in accordance with the Act.

Report to be considered