

Wednesday, 10 July 2024]

No 7—2024] FIRST SESSION, SEVENTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
TABLINGS AND
COMMITTEE REPORTS**

WEDNESDAY, 10 JULY 2024

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Referral to Committees of papers tabled

- (1) The following paper is referred to the **Portfolio Committee on Mineral and Petroleum Resources**:
 - (a) Report of Commission for Gender Equality - A Step in the right Direction? A Review of the Implementation of CGE recommendations by African Rainbow Minerals (2024).
- (2) The following paper is referred to the **Portfolio Committee on Cooperative Government and Traditional Affairs** for consideration:
 - (a) Report of Commission for Gender Equality - Royalty Without Crown: A review of the Implementation of the CGE recommendations relating to its 20216/14 Study on Assessing gender mainstreaming through House of Traditional and Khoisan leaders (2024).
- (3) The following paper is referred to the **Portfolio Committee on Police, Portfolio Committee on Correctional Services** and **Portfolio Committee on Social Development** for consideration, and to the **Portfolio Committee on Employment and Labour**:
 - (a) Report of Commission for Gender Equality – Men, Masculinities, and gangs: Investigating the persistence of male gangs in selected provinces of South Africa (2024).
- (4) The following paper is referred to the **Portfolio Committee on Police**:

- (a) Report of Commission for Gender Equality - Towards a Gender Based Violence Index for South Africa: an Overview and proposed way forward (2024).
- (5) The following paper is referred to the **Portfolio Committee on Labour and Employment, Portfolio Committee on Land Reform and Rural Development, Portfolio Committee on Cooperative Government and Traditional Affairs, Portfolio Committee on Social Development** and **Portfolio Committee on Agriculture** for consideration:
- (a) Report of Commission for Gender Equality - Women in the South African Economy (2024).
- (6) The following paper is referred to the **Portfolio Committee on Women, Youth and Persons with Disabilities** for consideration:
- (a) Report of Commission for Gender Equality - Report on South Africa's compliance with the Beijing Platform for Action.
- (7) The following paper is referred to the **Portfolio Committee on Land Reform and Rural Development** for consideration:
- (a) Report of Commission for Gender Equality - Exploring barriers to women's access to communal land in selected provinces of South Africa.
- (8) The following paper is referred to the **Portfolio Committee on Higher Education and Training** for consideration:
- (a) Report of Commission for Gender Equality - Report on Sexual Harassment in institutions of higher learning (2024).
- (9) The following paper is referred to the **Portfolio Committee on Agriculture** and **Portfolio Committee on Cooperative Government and Traditional Affairs** for consideration:
- (a) Report of Commission for Gender Equality - Do Women reap what they Sow: Exploring the conditions of women working on Farms (2024).
- (10) The following paper is referred to the **Portfolio Committee on Correctional Services**:
- (a) Report of Commission for Gender Equality - Drowning in the Shallow Water: Assessing Responses by the Department of Correctional Services to the CGE Recommendations on the Health and wellness of Women in Correctional Centers (2024).
- (11) The following paper is referred to the **Portfolio Committee on Sport, Arts and Culture** for consideration:
- (a) Report of Commission for Gender Equality - Gender Inequality in Sport: Insight into the Women's National Soccer Team-Banyana (2024).

(12) The following paper is referred to the **Standing Committee on Appropriations** for consideration:

- (a) Submission of the Financial and Fiscal Commission on the Division of Revenue Bill for 2025/26, tabled in terms of section 9(1) of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), as amended.

(13) The following papers are referred to the **Portfolio Committee on Public Service and Administration** for consideration and report:

- (a) Work Programme of Statistics South Africa (Annual Performance Plan) for 2024 – 2025 (Book 1).
- (b) Work Programme of Statistics South Africa (Annual Performance Plan) for 2024 – 2025 (Book 2).

2. Membership of Committees

(1) The following committee membership changes have been made:

1. Democratic Alliance

Portfolio Committee on Police

Discharged: Kohler, Ms D

Appointed: Schickerling, Ms L

2. Action SA

Portfolio Committee on Public Service and Administration

Discharged: Kobe, Ms MP

Appointed: Letlape, Mr TKS

3. Patriotic Alliance

Portfolio Committee on Social Development

Discharged: De Bruin, Ms K

4. Inkatha Freedom Party

Portfolio Committee on Social Development

Appointed: van der Merwe, Ms LL

5. Freedom Front Plus

Standing Committee on Appropriations

Discharged: Wessels, Mr WW

6. BOSA

Standing Committee on Appropriations

Appointed: Maimane, Mr MM

- (2) The following members have been elected Committee Chairpersons, with effect from 10 July 2024:

Portfolio Committee on Agriculture

Pule, Ms DD

Portfolio Committee on Land Reform and Rural Development

Shiviti, Ms TG

Portfolio Committee on Cooperative Government and Traditional Affairs

Mkhize, Dr ZL

Portfolio Committee on Electricity and Energy

Mvana, Ms NQ

Portfolio Committee on Higher Education

Letsie, Mr TW

Portfolio Committee on Human Settlements

Seabi, Mr AM

Portfolio Committee on Police

Cameron, Mr I

Portfolio Committee on Public Works and Infrastructure

Phiri, Ms CM

Portfolio Committee on Small Business Development

Dikgale, Ms MC

Portfolio Committee on Social Development

Masango, Ms BS

Portfolio Committee on Sport, Arts and Culture

McGluwa, Mr JJ

Portfolio Committee on Trade, Industry and Competition

Masina, Mr MC

Portfolio Committee on Tourism

Mnganga-Gcabashe, Ms LA

Portfolio Committee on Women, Youth and Persons with Disabilities

Dunjwa, Ms ML

Standing Committee on Auditor-General

Wessels, Mr WW

Standing Committee on Appropriations

Maimane, Mr MA

Standing Committee on Public Accounts

Zibi, Mr S

- (3) The following members have been nominated by their parties to serve on the Ad Hoc Committee to allow members of the National Assembly to be briefed prior to the debate on Vote No 8: National Treasury – State Security (including Crime Intelligence and Defence Intelligence):

African National Congress

Lucas, Ms SE

Dlakude, Ms DE

Legoete, Mr MD

Seabi, Mr AM

Democratic Alliance

Kohler, Ms D

Myburgh, Mr NG

uMkhonto Wesizwe

Ngubabe, Mr JS

Ndhlela, Mr N

Economic Freedom Fighters

Dlamini, Mr MM

Patriotic Alliance

Sauls, Mr A

National Coloured Congress

Adams, Mr F

United Africans Transformation

Mahlatsi, Mr LW (Alternate)

3. Appointment of members to chair mini-plenaries on Budget Vote debates

- (1) The following members have been appointed in terms of Rule 54 to chair mini-plenaries on budget votes: Mr M G Mahlaule, Ms LS Makhubela, Mr W M Douglas and Ms C Labuschagne.

National Council of Provinces

The Chairperson

1. Membership of Committees

- (1) The following members are appointed to the Select Committees of the National Council of Provinces:

1. Select Committee on Education, Sciences and Creative Industries (*Basic Education, Higher Education, Science, Technology and Innovations, Sports, Arts and Culture*)

Members

1. Feni, Mr M (Eastern Cape, ANC)
2. Breedt, Ms T (Free State, FF+)
3. Du Plessis, Ms NS (Gauteng, DA)
4. Chirwa-Mpungose, Mrs NN (Gauteng, EFF)
5. Govender, Mr P (KwaZulu-Natal, IFP)
6. Ngcobo, Ms ZN (KwaZulu-Natal, MKP)
7. Mokwele, Mr MF – Committee Whip (Limpopo, ANC)
8. Sibande, Mr MP (Mpumalanga, ANC)
9. Adriaanse, Ms JM (North-West, DA)
10. Arries, Ms LH (North-West, EFF)
11. Fienies, Ms DW (Northern Cape, ANC)
12. Bains, Ms MM (Western Cape, ANC)

Alternates

1. Nonkonyana, Adv IM (Eastern Cape, ANC) (for Feni, Mr M)
2. Van den Berg, Mr HJ (Northern Cape, FF+) (for Breedt, Ms T)
3. Ms M (Free State, EFF) (for Chirwa-Mpungose, Mrs NN)
4. Zulu, Mr S (Mpumalanga, MKP) (for Ngcobo, Ms ZN)
5. Farmer, Mr BJ (Western Cape, PA) (for Bains, Ms MM)

2. Select Committee on Social Services (*Health, Social Development, Women, Youth Development and Persons with Disabilities*)

Members

1. Feni, Mr M (Eastern Cape, ANC)
2. Breedt, Ms T (Free State, FF+)
3. Du Plessis, Ms NS (Gauteng, DA)
4. Chirwa-Mpungose, Mrs NN (Gauteng, EFF)
5. Govender, Mr P (KwaZulu-Natal, IFP)
6. Ngcobo, Ms ZN (KwaZulu-Natal, MKP)
7. Mokwele, Mr MF – Committee Whip (Limpopo, ANC)
8. Sibande, Mr MP (Mpumalanga, ANC)
9. Adriaanse, Ms JM (North-West, DA)
10. Arries, Ms LH (North-West, EFF)
11. Fienies, Ms DW (Northern Cape, ANC)
12. Bains, Ms MM (Western Cape, ANC)

Alternates

1. Nonkonyana, Adv IM (Eastern Cape, ANC) (for Feni, Mr M)
2. Berg, Mr HJ (Northern Cape, FF+) (for Breedt, Ms T)
3. Makesini, Ms M (Free State, EFF) (for Chirwa-Mpungose, Mrs NN)
4. Zulu, Mr S (Mpumalanga, MKP) (for Ngcobo, Ms ZN)
5. Farmer, Mr BJ (Western Cape, PA) (for Bains, Ms MM)

3. Select Committee on Security and Justice (*Police, Justice and Constitutional Development, Correctional Services, Defence and Military Veterans, Home Affairs, and International Relations and Cooperation*)

Members

1. Nonkonyana, Adv Inkosi M – Committee Whip (Eastern Cape, ANC)
2. Mcinga, Ms NP (Eastern Cape, EFF)
3. Noe, Mr P (Free State, ANC)
4. Mananiso, Ms JS (Gauteng, ANC)
5. Billy, Mr M (KwaZulu-Natal, DA)
6. Phala, Mr PA (Limpopo, ANC)
7. Zulu, Mr SA (Mpumalanga, MKP)
8. Medupe, Ms OD (North-West, ANC)
9. Mokae, Mr OJ (Northern Cape, DA)
10. Gotsell, Mr N (Western Cape, DA)
11. Gericke, Mr V (Western Cape, EFF)

Alternates

1. Molokomme, Ms KR (Limpopo, ANC) (for Phala, Mr PA)
2. Mabilo, Mr SP (Northern Cape, ANC) (for Mokae, Mr OJ)
3. Siwisa, Ms M (Northern Cape, EFF) (for Gericke, Mr V)

4. Select Committee on Public Petitions and Executive Undertakings

Members

1. Nonkonyana, Adv IM (Eastern Cape, ANC)

2. Mcinga, Ms NP (Eastern Cape, EFF)
3. Noe, Mr P (Free State, ANC)
4. Billy, Mr M (KwaZulu-Natal, DA)
5. Mananiso, Ms JS – Committee Whip (Gauteng, ANC)
6. Phala, Mr PA (Limpopo, ANC)
7. Zulu, Mr SA (Mpumalanga, MKP)
8. Medupe, Ms OD (North-West, ANC)
9. Mokae, Mr OJ (Northern Cape, DA)
10. Gotsell, Mr N (Western Cape, DA)
11. Gericke, Mr V (Western Cape, EFF)

Alternates

1. Molokomme, Ms KR (Limpopo, ANC) (for Phala, Mr PA)
2. Mabilo, Mr SP (Northern Cape, ANC) (for Mokae, Mr OJ)
3. Siwisa, Ms M (Northern Cape, EFF) (for Gericke, Mr V)

- 5. Select Committee on Economic Development and Trade** (*Economic Development, Trade, Industry and Competition, Communications and Digital Technologies, Small Business Development, Tourism, Employment and Labour*)

Members

1. Ndlangisa-Nodada, Mrs (Eastern Cape, ANC)
2. Dhlamini, Ms M – Committee Whip (Free State, ANC)
3. Modise, Mr MG (Gauteng, ANC)
4. Mokoena, Ms SM (KwaZulu-Natal, MKP)
5. Kennedy, Ms M (Limpopo, EFF)
6. Pienaar, Mr NH (Limpopo, DA)
7. Boshoff, Ms HS (Mpumalanga, DA)
8. Sithole, Ms SL (North-West, ANC)
9. Mabilo, Mr S P (Northern Cape, ANC)
10. Van den Berg, Mr HJ (Northern Cape, FF+)
11. Farmer, Mr BJ (Western Cape, PA)

Alternates

1. Mcinga, Ms NP (Eastern Cape, EFF) (for Kennedy, Ms M)
2. Du Plessis, Ms NS (Gauteng, DA) (for Boshoff, Ms HS)
3. Mananiso, Ms JS (Gauteng, ANC) (for Modise, Mr MG)
4. Govender, Mr P (KwaZulu-Natal, IFP) (for Kuanda, Mr TM)
5. Majola, Mr JS (KwaZulu-Natal, MKP) (for Mokoena, Ms SM)

- 6. Select Committee on Agriculture, Land Reform, and Mineral Resources** (*Agriculture, Land Reform and Rural Development, Environment, Forestry, Fisheries and the Environment, Mineral and Petroleum Resources, and Electricity and Energy*)

Members

1. Ndlangisa-Nodada, Mrs (Eastern Cape, ANC)
2. Dhlamini, Ms M (Free State, ANC)
3. Modise, Mr MG (Gauteng, ANC)
4. Mokoena, Ms SM (KwaZulu-Natal, MKP)
5. Kennedy, Ms M (Limpopo, EFF)
6. Pienaar, Mr NH (Limpopo, DA)
7. Boshoff, Ms HS (Mpumalanga, DA)
8. Sithole, Ms SL – Committee Whip (North-West, ANC)
9. Mabilo, Mr SP (Northern Cape, ANC)
10. Van den Berg, Mr HJ (Northern Cape, FF+)
11. Farmer, Mr BJ (Western Cape, PA)

Alternates

1. Mcinga, Ms NP (Eastern Cape, EFF) (for Kennedy, Ms M)
2. Du Plessis, Ms NS (Gauteng, DA) (for Boshoff, Ms HS)
3. Mananiso, Ms JS (Gauteng, ANC) (for Modise, Mr MG)
4. Govender, Mr P (KwaZulu-Natal, IFP) (for Kuanda, Mr TM)
5. Majola, Mr JS (KwaZulu-Natal, MKP) (for Mokoena, Ms SM)

7. Select Committee on Cooperative Governance and Public Administration *(Cooperative Governance and Traditional Affairs, Public Service and Administration, Human Settlements and Water and Sanitation)*

Members

1. Peter, Mr MM (Eastern Cape, UDM)
2. Makesini, Ms M (Free State, EFF)
3. Breedt, Ms T (Free State, FF+)
4. Scheurkogel, Dr I (Free State, DA)
5. Nzimande, Mr E (Gauteng, MKP)
6. Kaunda, Mr TM (KwaZulu-Natal, ANC)
7. Molokomme, Ms KR – Committee Whip (Limpopo, ANC)
8. Ceza, Mr K (Mpumalanga, EFF)
9. Mabebo, Mr BS (North-West, ANC)
10. Mmoiemang, Mr KM (Northern Cape, ANC)
11. Badenhorst, Mr FJ (Western Cape, DA)

Alternates

1. Britz, Mr JHP (Eastern Cape, DA) (for Scheurkogel, Dr I)
2. Kennedy, Ms M (Limpopo, EFF) (for Ceza, Mr K)
3. Fienies, Ms DW (Northern Cape, ANC) (for Mmoiemang, Mr KM)
4. Gotsell, Mr N (Western Cape, DA) (for Badenhorst, Mr FJ)
5. Gericke, Mr V (Western Cape, EFF) (for Makesini, Ms M)

8. Select Committee on Public Infrastructure and Ministries in Presidency *(Public Works and Infrastructure, Transport, Planning, Monitoring and Evaluation, Minister in the Presidency)*

Members

1. Peter, Mr MM (Eastern Cape, UDM)
2. Makesini, Ms M (Free State, EFF)
3. Breedt, Ms T (Free State, FF+)
4. Scheurkogel, Dr I (Free State, DA)
5. Nzimande, Mr E (Gauteng, MKP)
6. Kaunda, Mr TM (KwaZulu-Natal, ANC)
7. Molokomme, Ms KR – Committee Whip (Limpopo, ANC)
8. Ceza, Mr K (Mpumalanga, EFF)
9. Mabebo, Mr BS (North-West, ANC)
10. Mmoiemang, Mr KM (Northern Cape, ANC)
11. Badenhorst, Mr FJ (Western Cape, DA)

Alternates

1. Britz, Mr JHP (Eastern Cape, DA) (for Scheurkogel, Dr I)
2. Kennedy, Ms M (Limpopo, EFF) (for Ceza, Mr K)
3. Fienies, Ms DW (Northern Cape, ANC) (for Mmoiemang, Mr KM)
4. Gotsell, Mr N (Western Cape, DA) (for Badenhorst, Mr FJ)
5. Gericke, Mr V (Western Cape, EFF) (for Makesini, Ms M)

9. Select Committee on Finance

Members

1. Britz, Mr JHP (Eastern Cape, DA)
2. Radebe, Mr BA (Free State, ANC)
3. Ryder, Mr DR (Gauteng, DA)
4. Majola, Mr JS (KwaZulu-Natal, MKP)
5. Ndhlovu, Ms S (Limpopo, ANC)
6. Nxumalo, Ms – Committee Whip (Mpumalanga, ANC)
7. Legwase, Mr TI (North-West, ANC)
8. Siwisa, Ms M (Northern Cape, EFF)
9. Swart, Mr PJ (Western Cape, DA)

Alternates

1. Dhlamini, Ms M (Free State, ANC) (for Radebe, Mr BA)
2. Mokoena, Ms SM (KwaZulu-Natal, MKP) (for Majola, Mr JS)
3. Mokwele, Mr MF (Limpopo, ANC) (for Ndhlovu, Ms S)
4. Nxumalo, Ms (Mpumalanga, ANC) (for Sibande, Mr MP)
5. Ceza, Mr K (Mpumalanga, EFF) (for Siwisa, Ms M)
6. Sithole, Ms SL (North-West, ANC) (for Legwase, Mr TI)
7. Adriaanse, Ms JM (North-West, DA) (for Ryder, Mr DR)

10. Select Committee on Appropriations

Members

1. Britz, Mr JHP (Eastern Cape, DA)
2. Radebe, Mr BA (Free State, ANC)

3. Ryder, Mr DR (Gauteng, DA)
4. Majola, Mr JS (KwaZulu-Natal, MKP)
5. Ndhlovu, Ms S (Limpopo, ANC)
6. Nxumalo, Ms – Committee Whip (Mpumalanga, ANC)
7. Legwase, Mr TI (North-West, ANC)
8. Siwisa, Ms M (Northern Cape, EFF)
9. Swart, Mr PJ (Western Cape, DA)

Alternates

1. Dhlamini, Ms M (Free State, ANC) (for Radebe, Mr BA)
2. Mokoena, Ms SM (KwaZulu-Natal, MKP) (for Majola, Mr JS)
3. Mokwele, Mr MF (Limpopo, ANC) (for Ndhlovu, Ms S)
4. Nxumalo, Ms (Mpumalanga, ANC) (Sibande, Mr MP)
5. Ceza, Mr K (Mpumalanga, EFF) (for Siwisa, Ms M)
6. Sithole, Ms SL (North-West, ANC) (for Legwase, Mr TI)
7. Adriaanse, Ms JM (North-West, DA) (for Ryder, Mr DR)

NOTE:

Rule 108 of the NCOP Rules states “(1) *Alternates may be appointed for one or more specific members of a committee or subcommittee. (2) An alternate acts as a member when the member for which the alternate was appointed – (a) is absent; or (b) has vacated office, until the vacancy is filled.*”

TABLINGS

National Council of Provinces

1. The Chairperson

- (a) WRITTEN NOTICE OF INTERVENTION ISSUED IN TERMS OF SECTION 139(1)(b) OF THE CONSTITUTION, 1996 IN ZULULAND DISTRICT MUNICIPALITY, KWAZULU-NATAL.

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

COMMITTEE REPORTS

National Assembly

1. Report of the Portfolio Committees on Mineral and Petroleum Resources and Electricity and Energy on the 2024/25 Annual Performance Plan and Budget of the Department of Mineral Resources and Energy (Vote 34), dated 10 July 2024.

After 29 May general elections, the Department of Mineral Resources and Energy was split into the two departments, namely the Department of Mineral and Petroleum Resources, and the Department of Electricity and Energy. Corresponding portfolio committees had to be formed, namely, the Portfolio Committee on Mineral and Petroleum Resources, and the Portfolio Committee on Electricity and Energy. The Chairpersons of the two Committees were elected on 09 and 10 July 2024, respectively, and the debate on the budget was scheduled for 11 July 2024. Therefore, time constraints necessitated that a joint meeting of these committees on the budget be held. This is also because the Committees are dealing with the same budget vote (transitional budget).

The Portfolio Committees on Mineral and Petroleum Resources, and Electricity and Energy (hereafter, the Committees), having considered the 2024/25 Annual Performance Plan (APP) and Budget of the Department of Mineral Resources and Energy (DMRE), reports as follows:

1. INTRODUCTION

The Parliament of the Republic of South Africa (Parliament) has a constitutional obligation to oversee the work and spending of public resources by the Executive as outlined in Section 55:2 [(a), (b)] of the Constitution of the Republic of South Africa, 1996. Furthermore, Section 77 (3) of the Constitution stipulates that an Act of Parliament must provide for a procedure to amend money Bills before Parliament. This Constitutional provision resulted in Parliament passing the *Money Bills Amendment Procedure and Related Matters (Act No. 9 of 2009)* (the Money Bills Act). The Money Bills Act sets out the process that allows Parliament to make recommendations to the Minister of Finance to approve, reject or amend the budget of a National Department.

Therefore, Parliament, through its Committees and other mechanisms, should be the guardian of the use of State resources, the overseer of fiscal discipline and cost-effectiveness for the common good of all the citizens. Therefore, Parliament should assess the plans and conduct regular performance reviews and annual performance assessments of the DMRE and its entities. The Department's APP forms part of the Medium-Term Strategic Framework (MTSF) of government and provides a strategic direction to the Department, Provincial Departments, and entities, statutory bodies and the sector as a whole inclusive of the Department's social, and business partners. The APP is premised on governments priorities as espoused in the MTSF 2019-2024, and build towards attainment of the National Development Plan (NDP): Vision 2030 aspirations.

The purpose of this report is to report to the National Assembly (NA) on the Portfolio Committee on Mineral Resources and Energy's findings after evaluating and assessing the Annual Performance and Budget of the DMRE.

2. THE COMMITTEE PROCESS

The APP, Strategic Plans and Budgets of the Departments and their entities are due for tabling to Parliament at the end of the preceding financial year, i.e. 31 March 2024. The financial year of the national government runs from 1 April to 31 March. For instance, the current financial year, 2024/25 runs from 1 April 2024 to 31 March 2025.

In April, departments brief the various Committees on their budgets, strategic and annual performance plans. Thereafter, Committees produce a budget report which contains recommendations that requires attention or implementation by the relevant Minister. This report is then ATCed (Announcements, Tablings and Committee Reports). For any report to be debated in the National Assemble (NA), it has to be ATCed. The budget is then debated in the NA and subsequently passed.

Usually, the departments brief Committees on the budgets in April of each year, and committee reports on budget are adopted in May latest. However, an election year is always an exception. It is only, in July, after elections that the budgets are being processed. Thus, the budget that Committees are assessing for the 2024/25 financial year for the Department of Mineral

Resource and Energy was tabled on 31 March 2024, and will run from 1 April 2024 to 31 March 2025.

Under normal circumstances, the Department and its entities brief the Committees on their Annual Performance Plans. However, due to the time constraints, and this year being an election year, it was not possible to invite the eleven entities that fall under the DMRE to brief the Committees. However, the Department was briefed that, to a certain extent, it should highlight key budgetary issues relating to the eleven (11).

3. THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY

The DMRE is mandated to ensure the transparent and efficient regulation of South Africa's mineral resources and minerals industry, and the secure and sustainable provision of energy in support of socio-economic development.¹ The mining, minerals and energy sector is regulated by several Acts. The key regulatory Acts, amongst others, include:

- The Mineral and Petroleum Resources Development Act (2002), which provides the regulatory framework for equitable access to and the sustainable development of mineral resources and related matters.
- The Mine Health and Safety Act (1996), which governs mine health and safety.
- The National Energy Act (2008), which empowers the Minister to plan for and ensure the security of supply for the energy sector.
- The Petroleum Products Act (1977), which regulates the petroleum industry at the manufacturing, wholesale and retail levels.
- The Electricity Regulation Act (2006), which establishes a national regulatory framework for the electricity supply industry, including registration and licensing.

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

- Programme 1: Administration;
- Programme 2: Minerals and Petroleum Regulation;

¹ National Treasury, (2022)

- Programme 3: Mining, Minerals and Energy Policy Development;
- Programme 4: Mine Health and Safety Inspectorate;
- Programme 5: Mineral and Energy Resources Programme and Projects; and
- Programme 6: Nuclear Energy Regulation and Management.

Additionally, eleven State Owned Entities (SOEs, or entities) are entrusted to assist in discharging the Departments mandate. The eleven entities reporting to the Department are the Council for Mineral Technology Research (MINTEK), Mine Health and Safety Council (MHSC), State Diamond Trader (SDT), South African Diamond and Precious Metals Regulator (SADPMR), Council for Geoscience (CGS), National Nuclear Regulator (NNR), National Radioactive Waste Disposal Institute (NRWDI), South African National Energy Development Institute (SANEDI), South African Nuclear Energy Corporation (NECSA), Central Energy Fund (CEF) Group of Companies (SOC) Ltd, and National Energy Regulator of South Africa (NERSA).

3.1 Annual Performance Plan of the Department for 2024/25 Financial Year

This section provides analysis of the overall budget allocation for the DMRE for the 2024/25 financial year, as well as the Annual Performance Plan (APP).

As contained in the APP of the DMRE, key strategic priorities of the Department for the period under review are as follows:

- **Electrification:** Ensuring universal access to electricity for underprivileged and indigent households. the Department plans to connect 100 000 households to the grid and 15 000 households will be connected using solar home technology.
- **New Nuclear Build Programme:** The Department plans to finalise the governance and funding structure for the procurement of 2500 Nuclear Power in line with the determination gazetted and concurred to by the National Energy Regulator of South Africa (NERSA). As per the APP, the Department further commits that working closely with National Treasury, Eskom, and the Independent Power Producers (IPP) Office, it will ensure that the Request for Proposal (RFP) for Nuclear Power is successfully finalised.

- **Renewable Energy:** The Department states that conversations with Eskom and IPP Office are at an advanced stage to address the grid challenges affecting the finalisation of Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) Bid Window 8 RFP release.
- **Integrated Resource Plan (IRP23) for electricity:** The Department plans to finalise the process of developing IRP23, that has already undergone the public consultation process, which will go a long way in ensuring that the long-term sustainability and security of electricity supply. The IRP is a plan aimed at estimating South Africa's electricity demand. It considers how the demand of electricity will be met and the expense of such a demand.
- **Integrated Energy Plan (IEP):** IEP is integral in providing a roadmap of the future energy landscape for South Africa and guiding future energy infrastructure investments including policy development. There has been an outcry in the industry about the lengthy delays in finalising the IEP. However, the Department commits that it will finalise it during the 2024/25 financial year.
- **Review of the Mineral and Petroleum Resources Development Act (MPRDA):** In the previous financial year, the Department hosted the MPRDA Review Summit. In this financial year, the Department plans to proceed with the process to review the MPRDA, paying particular attention to the parts that have been identified as weak and those that have been legally challenged. Moreover, the review will also deal with the licensing regime to reduce red tape and improve the business environment for investors while keeping in sync with South Africa's social and economic objectives.
- **Critical mineral strategies:** During the period under review, the Department commits to embark on a journey to consult stakeholders for the development of a roadmap required for South Africa's critical mineral strategy. According to the department, the strategy will also map up the beneficiation value chain in order for the country to derive maximum benefit and move away from pit to pot without sustainable value creation for the country of mineral origin. To achieve the above, the Department will collaborate with MINTEK, with the aim of having the strategy approved and adopted by Cabinet.
- **Exploration Strategy and its implementation plan:** Gazette in April 2022 gave rise to the establishment of the Junior Mining Exploration Fund that was

subsequently launched at the 2024 Investing in African Mining Indaba. The Fund provides a seed capital of R400 million to junior and emerging miners for exploration purposes. The DMRE and the Industrial Development Corporation (IDC) were to conclude the governance framework in the 2023/24 financial year and commence with the invitation for participation in the 2024/25 financial year.

- **Cadastre System and mining licensing backlog:** To ensure transparency, fairness, effectiveness and efficiency is entrenched in mining applications process, the Department has procured a web-based mining license applications system (Cadastre). The Department is in the process of roll-out the systems across its nine regions and it is envisaged that the pilot programme will take the FY24/25 to complete.
- **Monitor the implementation of Social and Labour Plans (SLPs):** To ensure compliance culture by the mining houses, the Department has set targets for inspections for compliance on both environmental and legal obligations.
- **Rehabilitate derelict and ownerless (D&O) mines:** For the 2024/25 financial year, the Department plans to close and rehabilitate three (3) D&O mines in line with the annual budget of R143 million received from the National Treasury.
- **Mine Health and Safety:** The Department plans to continue intensifying its work on health and safety during the period under review.

This section provides analysis of the overall budget allocation for the DMRE for the 2024/25 financial year.

Table 1: Overall Budget of the Department of Mineral Resources and Energy

Department of Mineral Resources and Energy	Budget				Nominal	Real Rand	Nominal %	Real %
	R million	2023/24	2024/25	2025/26	2026/27	Rand change	change	change
		2023/24	2024/25	2025/26	2026/27	2023/24-2024/25	2023/24-2024/25	
Programme 1: Administration	703,9	692,7	718,5	746,2	- 11,2	- 42,3	-1,59 per cent	-6,01 per cent
Programme 2: Minerals and Petroleum Regulation	518,7	533,6	554,3	582,5	14,9	- 9,1	2,87 per cent	-1,75 per cent
Programme 3: Mining, Minerals and Energy Policy Development	1 076,0	1 199,5	1 289,7	1 224,6	123,5	69,7	11,48 per cent	6,47 per cent
Programme 4: Mine Health and Safety Inspectorate	226,4	234,4	246,3	258,1	8,0	- 2,5	3,53 per cent	-1,11 per cent
Programme 5: Mineral and Energy Resources Programmes and Projects	6 586,8	5 093,1	5 005,4	5 115,1	- 1 493,7	- 1 722,3	-22,68 per cent	-26,15 per cent
Programme 6: Nuclear Energy Regulation and Management	1 159,4	1 085,7	1 134,1	1 187,2	- 73,7	- 122,4	-6,36 per cent	-10,56 per cent
TOTAL	10 271,2	8 839,0	8 948,3	9 113,7	- 1 432,2	- 1 829,0	-13,94 per cent	-17,81 per cent

Source: National Treasury, (2024)

NB: Explanatory note

<i>Nominal Increase/Decrease</i>	<i>Is when inflation is not taken into account</i>
<i>Real Increase/Decrease</i>	<i>Is when inflation is taken into account (the projected inflation rate is 4.7 per cent)</i>

As evident in the above table, **the overall budget of the DMRE is R8.8 billion** for the 2024/25 financial year. In the previous financial year (2023/24), the Department had a total adjusted budget of R10.2 billion. In nominal terms (without inflation), the Department's **budget decreases by 13.9 per cent from the previous financial year, and it decreases by 17.8 per cent with inflation (real terms).**²

The table below illustrates the Department's budget over the MTEF period with consideration of nominal and projected inflation. The table provides the **projected inflation rate of 4.7 per cent in 2024/25 and 2025/26, and 4.5 per cent projected for 2026/27.**³

² National Treasury, (2024).

³ National Treasury, (2023).

It is important to note that over the MTEF period, the Departments **overall budget decreases at 8,2 per cent with inflation, and at 3,9 per cent in nominal terms, or without taking inflation into account.**⁴

Programme Budget Analysis

This section focuses on unpacking the individual line items, or the Department's programme budget. The bulk of the Department's budget is allocated for transfers and subsidies.

In the current financial year (2024/25), **subsidies and transfers amount to R6.4 billion of the total budget**; the remainder of the budget is for departmental operations. The bulk of the **R6.4 billion is allocated for the public corporations and private enterprises (R3.5 billion) and provinces and municipalities (R1.92 billion).**

With regard to economic classification of expenditure, current payments amount to R2.4 billion for 2024/25, which is comprised of **R1.1 billion for the compensations of employees** and **R1.2 billion for goods and services**, which comprise catering for Departmental activities, computer services, consultants, operating leases, travel and subsistence.⁵

As mentioned above, the Department has six programme areas, namely:

- Programme 1: Administration;
- Programme 2: Minerals and Petroleum Regulation;
- Programme 3: Mining, Minerals and Energy Policy Development;
- Programme 4: Mine Health and Safety Inspectorate;
- Programme 5: Mineral and Energy Resources Programme and Projects; and
- Programme 6: Nuclear Energy Regulation and Management.

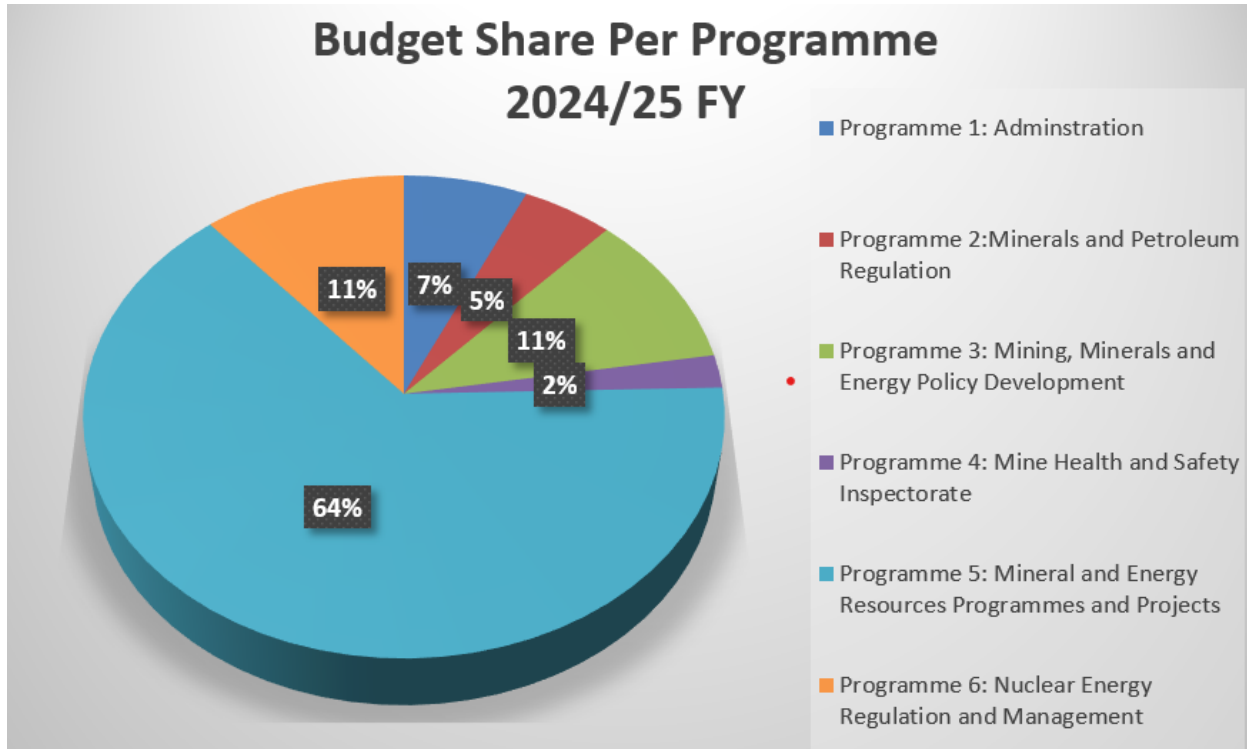
Each Departmental programmes have their respective sub-programmes as well.

⁴ National Treasury, (2024).

⁵ Ibid.

The pie chart below provides an overview of each programme's share of the total budget for 2024/25.

Figure 1: Total Budget Share by Programme



As can be seen from figure 1 above, the significant share of the budget is in **Programme 5: Mineral and Energy Resources Programmes and Projects**, with an allocation of **R5 093.1 billion**. In real terms, the budget for the programme decreased by 26.15 per cent. **Programme 3: Mining, Minerals and Energy Policy Development** at 11 per cent with an allocation of **R1 199,5 billion**, closely followed by **Programme 6: Nuclear Energy Regulation and Management** also at 11 per cent with a **R1 085,7 billion** allocation. **Programme 1: Administration** is at 7 per cent of the budget with a **R692,7 million** allocation. **Programme 2: Minerals and Petroleum Regulation** is 5 per cent of the budget allocation with **R533,6 million**, and last with the smallest share is **Programme 4: Mine Health and Safety** at 2 per cent of the budget with an allocation of **R243,4 million** over the 2024/25 FY.⁶

⁶ National Treasury, (2024).

In the following section is a detailed description of the programme budget for 2024/25 financial year.

Programme 1: Administration

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

Table 3: Programme 1 Budget Allocation for 2024/25 Financial Year

Programme 1: Administration R million	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	2023/24	2024/25				
Ministry	38,2	45,5	7,3	5,3	19,11 per cent	13,76 per cent
Department Management	41,8	38,9	- 2,9	- 4,6	-6,94 per cent	-11,12 per cent
Audit Services	23,6	22,5	- 1,1	- 2,1	-4,66 per cent	-8,94 per cent
Financial Administration	100,8	102,3	1,5	- 3,1	1,49 per cent	-3,07 per cent
Corporate Services	348,0	322,8	- 25,2	- 39,7	-7,24 per cent	-11,41 per cent
Office Accommodation	151,5	160,7	9,2	2,0	6,07 per cent	1,31 per cent
Total	703,9	692,7	- 11,2	- 42,3	-1,6 per cent	-6,01 per cent

Source: National Treasury, (2024)

The programme receives **R692.7 million** for the 2024/25 financial year, which translates into a **nominal decrease of 1.6 per cent**, and a **real decrease of 6.01 per cent**. The *Corporate Services* sub-programme receives the biggest share of the Administration allocation (R322.8 million), and receives the biggest decrease of 7.24 per cent compared to the previous financial year. The *Department Management* (6.94 per cent) and *Auditing Services* (4.6 per cent) also receives a decrease. The *Office Accommodation* sub-programme with an allocation of R160.7 million receives a 6.07 per cent increase and the *Ministry* receives a 19.11 per cent nominal increase, and 13.76 real per cent with the R45,5 million allocation.

Programme 2: Minerals and Petroleum Regulation

This programme regulates the mining, minerals and petroleum sectors to promote economic growth, employment, transformation and sustainable development.

Table 4: Programme 2 Budget Allocation for 2024/25 Financial Year

Programme 2: R million	Budget		Nominal Increase / Decrease in	Real Increase / Decrease in	Nominal Percent change in	Real Percent change in
	2023/24	2024/25	2024/25	2024/25	2024/25	2024/25
Minerals and Petroleum Management	15,8	16,0	0,2	- 0,5	1,27 per cent	-3,28 per cent
Mineral Regulation and Administration	387,3	392,0	4,7	- 12,9	1,21 per cent	-3,33 per cent
Environmental Enforcement and Compliance	21,4	24,4	3,0	1,9	14,02 per cent	8,90 per cent
Petroleum Compliance Monitoring, Enforcement	24,1	26,3	2,2	1,0	9,13 per cent	4,23 per cent
Petroleum Licensing and Fuel Supply	70,1	74,9	4,8	1,4	6,85 per cent	2,05 per cent
Total	518,7	533,6	14,9	- 9,1	2,9 per cent	-1,75 per cent

Source: National Treasury, (2024)

The Programme receives an allocation of **R533,6 million** for the 2024/25 financial year. This reflects an **increase of 2.9 per cent** in nominal terms. As can be seen in Table 4 above, budget allocation has increased across the five sub-programmes. The *Mineral Regulation and Administration sub-programme* once again receives the largest share of the programme's budget to the value of R392.0 million, which illustrates an increase of 1.21 per cent in nominal terms. This sub-programme administers and evaluates prospecting and mining rights and licensing.

This programme budget allocation include transfer payments to the South African Diamond and Precious Metals Regulator (SADPMR), Petroleum Agency South Africa (PASA) and international membership fees.

Programme 3: Mining, Minerals and Energy Policy Development

This programme formulates, maintains and implements integrated minerals and energy policies to promote and encourage investment in the mining and energy industry.

Table 5: Programme 3 Allocation for 2024/25 Financial Year

Programme 3 R million	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	2023/24	2024/25				
Mining, Minerals & Energy Policy Development	65,0	143,2	78,2	71,8	120,31 per cent	110,42 per cent
Minerals & Petroleum Policy	23,8	26,4	2,6	1,4	10,92 per cent	5,94 per cent
Nuclear, Electricity & Gas Policy	16,2	16,8	0,6	- 0,2	3,70 per cent	-0,95 per cent
Economic Analysis & Statistics	46,6	50,1	3,5	1,3	7,51 per cent	2,68 per cent
Economic Growth, Promotion & Global Relations	907,4	945,6	38,2	- 4,2	4,21 per cent	-0,47 per cent
Mineral & Energy Planning	17,0	17,5	0,5	- 0,3	2,94 per cent	-1,68 per cent
Total	1 076,0	1 199,5	123,5	69,7	11,5 per cent	6,47 per cent

Source: National Treasury, (2024)

For the 2024/25 financial year, the Mining, Minerals and Energy Policy Development programme receives a budget allocation of **R1 199,5 billion** that reflects **an increase of 11.5 per cent** percent in nominal terms and an **increase of 6.47 percent in real terms** compared to the previous financial year.

As in the previous financial year, the *Economic Growth, Promotion and Global Relations sub-programme* receives the largest share of the budget to the value of R904,4 million, an increase of 4.21 percent in nominal terms. The sub-programme is responsible for promoting economic growth and investment in the sector. This sub-programme also makes transfers to the Council for Geoscience (CGS) and the Council for Mineral Technology and Research (Mintek).⁷

There is a significant budget increase in the *Mining, Minerals and Energy Policy Development Management sub-programme*. The programme provides overall management to Programme 3. For the current financial year, the programme receives R143,2 million, from a budget allocation of R65 million in 2023/24, resulting in an increase of 120.31 per cent in nominal terms and an increase of 110,42 percent in real terms.

⁷ National Treasury, (2024).

The *Economic Analysis and Statistics sub-programme* receives R50,1 million, an increase of 2.68 per cent in real terms. The aim of this sub-programme is to advise the Department on trends in the mining and energy industries in order to attract investment.⁸ The *Minerals and Petroleum Policy sub-programme* receives R26,4 million, an increase of 10,92 per cent in nominal terms and an increase of 5.94 per cent in real terms. This sub-programme develops and reviews policy and legislative frameworks for the mining, minerals and petroleum sectors. In addition, it conducts research; and monitors the impact of policy implementation.

Nuclear, Electricity and Gas Policy sub-programme receives the smallest share of the budget with R16,8 million, a decrease of 0.95 per cent in real terms. This sub-programme develops and reviews policy and legislative frameworks for the nuclear, electricity and gas sectors. Moreover, it conducts research; and monitors the impact of policy implementation.⁹ The *Minerals and Energy Planning sub-programme* receives R17.5 million. This reflects an increase of 11.5 per cent in real terms. The sub-programme is entrusted with ensuring the security of supply of mineral and energy resources.

Programme 4: Mine Health and Safety Inspectorate

The objective of this programme is to ensure the health and safety of employees in the mining sector.

Table 6: Programme 4 Budget Allocation for 2024/25 Financial Year

8 Ibid.

9 Ibid.

Programme 4: Mine, Health and Safety Inspectorate R million	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	2023/24	2024/25				
Mine Health & Safety Management	9,4	9,4	0,0	- 0,4	0,00 per cent	-4,49 per cent
Mine Health & Safety Regions	200,0	207,4	7,4	- 1,9	3,70 per cent	-0,96 per cent
Occupational Health	16,9	17,7	0,8	0,0	4,73 per cent	0,03 per cent
Total	226,4	234,4	8,0	- 2,5	3,5 per cent	-1,11 per cent

Source: National Treasury, (2024)

The Mine Health and Safety Inspectorate programme accounts for **2 per cent of the total Departmental budget** allocation for the 2024/25 financial year. Programme budget allocations include transfer payments to the Mine Health and Safety Council (MHSC), which is tasked with promoting a culture of health and safety in the mining sector.¹⁰ For the current financial year, this programme receives a **total budget of R234.4 million**, constituting a nominal increase of 3.5 per cent and a **real decrease of 1.11 per cent**.

As evident in the table above, the largest share of the budget is allocated to the *Mine Health and Safety Regions sub-programme*, receiving an amount of R207.4 million. This reflects a nominal increase of 3.7 per cent and a real decrease of 0.96 per cent. The sub-programme develops strategies to reduce occupational diseases and injuries in the mining sector and conducts audits and inspections.¹¹ The *Occupational Health sub-programme* receives R17,7 million, reflecting an increase of 4.73 per cent in nominal terms and 0.03 per cent in real terms. This sub-programme is entrusted with establishing an occupational health centre to provide specialist services to the mine health and safety inspectorate, with particular focus on regional components.

Programme 5: Mineral and Energy Resources Programmes and Projects

The programme manages, coordinate and monitor programmes and projects focused on access to mineral and energy resources.

¹⁰ National Treasury, (2024).

¹¹ Ibid.

Table 8: Programme 5 Budget Allocation for 2024/25 Financial Year

Programme R million	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	2023/24	2024/25				
Programmes & Projects Management	2,4	4,2	1,8	1,6	75,00 per cent	67,14 per cent
Integrated National Electrification Programme	5 847,9	4 227,1	- 1 620,8	- 1 810,6	-27,72 per cent	-30,96 per cent
Programmes & Projects Management Office	69,0	66,7	- 2,3	- 5,3	-3,33 per cent	-7,67 per cent
Regional Programmes & Projects Management Office	0,0	0,0	0,0	0,0	0,00 per cent	0,00 per cent
Electricity Infrastructure & Industry Transformation	6,9	7,1	0,2	- 0,1	2,90 per cent	-1,72 per cent
Energy Efficiency Projects	250,3	257,9	7,6	- 4,0	3,04 per cent	-1,59 per cent
Renewable Energy Projects	159,4	147,2	- 12,2	- 18,8	-7,65 per cent	-11,80 per cent
Environmental Management Projects	250,9	383,0	132,1	114,9	52,65 per cent	45,80 per cent
Total	6 586,8	5 093,1	- 1 493,7	- 1 722,3	-22,7 per cent	-26,15 per cent

Source: National Treasury, (2024)

As stated above, this is the **largest programme** of the Department, thus, the Programme accounts for 64 per cent of the total departmental budget allocation for the 2024/25 financial year. The programme receives **R5 093,1 billion** for the 2024/25 financial year. This reflects a **decrease of 26.5 per cent in real terms**. As is the case year-on-year, the bulk of the budget goes to the *Integrated National Electrification Programme sub-programme* – an allocation of R4 227,1 billion. This is a 30.96 per cent decrease in real terms from the 2023/24 FY. This sub-programme oversees and manages the financing and implementation processes for the electrification programme; and makes transfers to Eskom, municipalities and private providers.¹² The *Electricity Infrastructure and Industry Transformation sub-programme* is allocated a budget increase from R6.9 million in 2023/24 to R7.1 million in 2024/25. The sub-programme oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector, and independent power producers.

¹² National Treasury, (2024).

The *Environmental Management Projects sub-programme* receives R383,0 million, an increase of 45.8 percent in real terms. The sub-programme provides strategic guidance on environmental management and climate change. It also assists mines to prevent the uncontrolled movement of water into and out of underground holdings and mine openings (acid mines).¹³ The last sub-programme to receive an increase in this budget is the *Programmes and Projects Management sub-programme* which receives R4,2 million, an increase of 67.14 per cent in real terms.

Important to note that the *Regional Programmes and Projects Management Office sub-programme* receives zero budget allocation for the year under review. This sub-programme provides regional energy-related advisory services.

The remaining (3) sub-programmes of this programme, experience budget decreases in both nominal and in real terms. These include:

- *Renewable Energy Projects sub-programme* receives R147,2 million, a decrease of 11.8 per cent in real terms.
- *Energy efficiency project sub-programme* receives R257,9 million, a decrease of 1,59 per cent in real terms. This sub-programme advances energy efficiency in South Africa through planning and coordinating activities and interventions focused on energy efficiency market. The sub-programme also makes transfers for municipal energy efficiency programmes.
- *Programmes and Projects Management Office sub-programme* receives R66,7 million, a decrease of 7.67 per cent in real terms.

Programme 6: Nuclear Energy Regulation and Management

The aim of this programme is to manage the South African nuclear energy industry and control nuclear materials in terms of international obligations, nuclear legislation and policies to ensure the peaceful use of nuclear energy.

¹³ Ibid

Table 8: Programme 6 Budget Allocation for 2022/23 Financial Year

Programme R million	Budget		Nominal Increase / Decrease in	Real Increase / Decrease in	Nominal Percent change in	Real Percent change in
	2023/24	2024/25	2024/25	2024/25	2024/25	2024/25
Nuclear Energy Management	7,8	8,1	0,3	- 0,1	3,85 per cent	-0,82 per cent
Nuclear Safety and Technology	1 138,1	1 062,8	- 75,3	- 123,0	-6,62 per cent	-10,81 per cent
Nuclear Non-proliferation and Radiation Security	13,5	14,8	1,3	0,6	9,63 per cent	4,71 per cent
Total	1 159,4	1 085,7	- 73,7	- 122,4	-6,4 per cent	-10,56 per cent

Source: National Treasury, (2024)

This programme receives the **second largest budget allocation**, after Programme 5, an allocation of **R1.085,7 billion**. Nominally, the budget for this programme decreases by 6.4 per cent, and decreases by 10.56 percent in real terms.

Nuclear Safety and Technology sub-programme receives the bulk of the budget, a total of R1.062,8 billion, a decrease of 6.62 per cent in nominal terms and a decrease of 10.81 percent in real terms. This sub-programme manages and implements all matters related to nuclear safety and technology, as required by legislation and international agreements. It also implements nuclear energy policy, in line with the requirements of the Integrated Resource Plan (IRP). In addition, the sub-programme administers all matters pertaining to nuclear technology, safety, liability and

emergency management with the aim of improving the governance of the nuclear sector. This sub-programme also makes transfers to the South African Nuclear Energy Corporation (NECSA), the National Nuclear Regulator (NNR) and the National Radioactive Waste Disposal Institute (NRWDI); and is responsible for paying membership fees to international organisations.¹⁴

Nuclear Energy Management sub-programme receives R8,1 million, reflecting an increase of 3.85 per cent in nominal and, decrease of 0,82 per cent in real terms. This sub-programme provides overall management to Programme 6, and oversees the national

¹⁴ National Treasury, (2024).

liaison office of the International Atomic Energy Agency (IAEA); and is responsible for managing the African regional cooperative agreement for research, development and training related to nuclear science and technology.

Nuclear Non-proliferation and Radiation Security sub-programme receives R14,8 million, reflecting an increase of 4.7 per cent in real terms. This sub-programme manages and implements all matters related to nuclear non-proliferation and radiation security, as required by legislation and international agreements. It also administers the use of nuclear material, related equipment and facilities, including nuclear technology, to ensure compliance with legislation and international agreements.

4. Observations

- **The National Solar Water Heater Programme:** Progresses reported on the implementation of the National Solar Water Heater Programme was noted. About 45 000 Solar Water Heaters are reportedly installed in the various municipalities.
- **Fuel Adulteration:** There is an appreciation that law is taking its course regarding the 77 fuel stations that were found selling contaminated fuel.
- **Integrated Resource Plan for Electricity, Integrated Energy Plan:** It is appreciated that these long overdue plans will be finalized during the year under review. It is also noted that the research work and modelling is done by the Department, working with Eskom, especially on modelling.
- **Illegal Mining:** The Committee welcomes the fact that there is a plan to ensure that illegal miners are arrested and that, in 2023, the Department worked together with Department of Justice and drafted a General Laws Amendment Bill, to address legislative gaps regarding illegal mining.
- **Beneficiation:** There was concern that the Department, on its plans, is silent on beneficiation. There is a view that beneficiation can contribute to addressing the high unemployment challenge that South Africa is faced with. The explanation that beneficiation is an energy intensive process, and that security of energy supply is key to was noted. The Department in 2022 drafted a negotiated pricing framework which had to do with Eskom entering into a negotiated pricing arrangement with smelters. The price and framework was approved by cabinet and it is being implemented.

- **Mining Licensing Backlog:** The commitment that the mining licensing system (cadastre) will be live next year was welcomed by the Members as it will go a long way in addressing the backlog. The explanation that the Environmental Impact Assessment process which forms part of the license application contributes to the backlog was noted as possible area that needs to be looked at.
- **Implementation of Social and Labour Plans:** There was a concern that mining houses often do not fulfil their commitments. There is a disjuncture between the profit they make and the money they invest in surrounding communities.
- **Transfers to the municipalities:** Over 70% of the Department's budget is for transfers and subsidies to Eskom and Municipalities. In respect of the transfers to the municipalities, there was a concern regarding the constant underspending of the allocated money and how the Department deals with this situation. In terms of underspending there is a structure on electrification that includes South African Local Government Association (SALGA), Association of Municipal Electricity Utilities (AMEU) which is also a municipal infrastructure support agency where the programme on a regular basis is discussed and the issues that municipality is facing are discussed. Thus, the issues of underspending are addressed within these structures.
- Members were concerned about the funding that is needed to expand and strengthen the transmission infrastructure.

5. RECOMMENDATIONS

Having considered the planning documents and budgetary allocations for the 2024/25 financial year, the Committee recommends that the Minister of Mineral Resources and Energy, should:

1. Prioritize the tabling of the General Laws Amendment Bill to address illegal mining through legislative provisions and ensure implementation of the recommendations of the Portfolio Committee on Mineral Resources and Energy's 2022 Joint Oversight Report on Illegal Mining.
2. Expedite the process of regulating Artisanal and Small-Scale Mining.

3. Provide an update to the Committee regarding the Solar Water Heater Programme and future plans for the programme.
4. Ensure that the cadastral system is live before the end of the 2024/25 financial year. The Cadastral System will address the issue of length of time taken to approve and award mining rights and permits.
5. Provide the committee with a briefing regarding the two research papers on the status of mining in South Africa and Critical Minerals.
6. Provide a comprehensive briefing and report on fuel adulteration.
7. Consider having discussions with the National Treasury regarding a possible increase of the Mine Health and Safety budget allocation to enable better resources to ensure mine health and safety in the sector.
8. Ensure the Integrated Resource Plan (IRP23) for electricity and the Integrated Energy Plan (IEP) are finalized before the end of the 2024/25 financial year.
9. Ensure that Social and Labour Plans are implemented by the mining houses as per the agreements entered into.
10. Comprehensively brief the Committee on Energy and Electricity on Koeberg Long Term Operation (LTO) and New Nuclear Build Programme.
11. Ensure that funding opportunities for the strengthening and upgrading of the transmission network are explored.

6. CONCLUSION

The Portfolio Committees on Mineral and Petroleum Resources and Electricity and Energy will continue to fulfil their Constitutional mandate. The Committees are guided by the Parliamentary rules in conducting the oversight on the functioning of the Department of Mineral Resources and Energy. This is done to ensure proper and effective functioning and compliance with the legislation and policy requirements.

Report to be considered.

2. REPORT OF THE PORTFOLIO COMMITTEE ON CORRECTIONAL SERVICES ON BUDGET VOTE 22 AND ANNUAL PERFORMANCE PLAN FOR 2024/25, DATED 10 JULY 2024.

1. INTRODUCTION

- 1.1. The Committee received a political overview by the Minister of Correctional Services, Dr Pieter Groenewald on 9 July 2024, who was accompanied by the Deputy Minister, Ms Lindiwe Ntshalintshali. This briefing took place in Parliament at M46.
- 1.2. The Department of Correctional Services (DCS) presented their Annual Plan and their Budget allocations for 2024/25 financial year on 9 July 2024.. The presentation is available from the Committee Secretariat.
- 1.3. The DCS's mandate is derived from the Correctional Services Act (No. 111 of 1998), as well as the White Paper on Correctional Services (2005) and the White Paper on Remand Detention Management in South Africa (2014). The legislation and policies inform all the efforts towards achieving the safe and human detention of offenders and remand detainees, rehabilitation and social reintegration into the community.

2. POLITICAL OVERVIEW BY THE MINISTER OF JUSTICE AND CORRECTIONAL SERVICES

- 2.1. The Minister noted that overcrowding remained the biggest challenge facing the Department of Correctional Services.
- 2.2. The Minister also reported that 17 infrastructure projects will be completed in the 2024/25 financial year.

- 2.3. According to the Minister, remand detainees who committed petty offences and those who cannot afford bail of less than R1000 will be prioritized in the current financial year.
- 2.4. The Minister further committed that education and vocational training will be prioritised by the Department in the 2024/25 period.
- 2.5. As a result of budget cuts across the departments, the Minister indicated that the Department of Correctional Services will have to do more with less and provide quality services to all offenders.

3. DEPARTMENT OF CORRECTIONAL SERVICES' STRATEGIC GOALS

- 3.1. The DCS's mission is to contribute to a just, peaceful and safer South Africa through the effective and humane incarceration of inmates, and the rehabilitation and social reintegration of offenders. The DCS is committed to playing its role to ensure that the Medium-Term Strategic Framework (MTSF) and the National Development Plan's (NDP) strategic outcomes are achieved. The overarching goal is to build a safer South Africa where all people are and feel safe.
- 3.2. To this end the DCS has identified the following three focus area for 2024/25 financial year:
- Implementation of the Self-Sufficiency Strategy and Sustainability Framework
 - Providing adequate security at correctional centres
 - Facilitating Restorative Justice.

4. OVERVIEW OF THE DCS BUDGET: 2024/25

- 4.1. The DCS will receive R27.8 billion in 2024/25. This is an increase of 4.47 per cent or R1 186.6 billion from 2023/24 allocation. The allocation is projected to increase to R30.3 billion over the medium term (2026/27). Of the total allocation for 2024/25, 70% (or R19.4 billion) goes towards Compensation of Employees.

TABLE 1: SUMMARY OF ALLOCATION FOR 2020/21-2026/27

Programmes	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
R'000	Audited outcome	Audited outcome	Audited outcome	Adjusted appropriation	Medium term estimates	Medium term estimates	Medium term estimates
Administration	4,640.9	5,005.3	4,768.1	4,840.4	5,065.5	5,231.4	5,472.9
Incarceration	15,041.4	15,321.6	15,812.3	15,790.0	16,829.7	17,784.5	18,589.9
Rehabilitation	1,884.4	2,014.7	2,144.4	2,191.7	2,149.3	2,217.8	2,326.4
Care	2,481.2	2,331.8	2,511.3	2,513.9	2,483.7	2,532.3	2,647.1
Social Reintegration	979.2	1,020.3	1,193.1	1,234.9	1,229.4	1,223.6	1,280.5
Total expenditure	25,027.1	25,693.6	25,429.2	26,571.0	27,757.6	28,989.0	30,316.7

Source: Estimates of National Expenditure 2024

4.2. The DCS budget is distributed across five programmes: Administration (R5 billion), Incarceration (R16.8 billion), Rehabilitation (R2.1 billion), Care (R2.5 billion), and Social Reintegration (R1.2 billion).

4.3. A combined 79 percent of the allocation goes towards the Administration and Incarceration programmes. The Rehabilitation and Social Reintegration programmes together receive only 12 percent of the overall budget for 2024/25, while the Care programme receives 9 percent.

4.4. The Judicial Inspectorate of Correctional Services (JICS) receives a transfer from the Vote of R114.6 million in 2024/25, R120.3 million in 2025/26 and R129.1 million in 2026/27.

5. OVERVIEW OF ALLOCATION PER PROGRAMME

5.1. PROGRAMME 1: ADMINISTRATION

5.1.1. The Administration programme provides for the functions that underpin the DCS's service delivery and comprises administrative, management, financial, information communication and technology, research, policy co-ordination and good governance support functions. The sub-programmes under this programme are: Ministry,

Management, Human Resources, Finance, Internal Audit, Information Technology, Assurance Services and Office Accommodation.

- 5.1.2. An amount of R5.1 billion has been allocated to the Administration programme for the 2024/25 financial year. This amounts to 19 percent of the total Departmental budget. This is the second largest programme in the Department in terms of budget allocation. This programme has been increased by 4.65 percent or R225 million in nominal terms.
- 5.1.3. The allocation to sub-programmes, as percentage of the allocation to the Administration programme, is as follows: Finance - 26 percent or R1, 330.3 billion; Human Resources - 42 percent or R2, 150.3 billion; Management – 18 percent or R900.7 million; Information Technology – 7 percent or R358 million; Assurance Services – 3 percent or R173 million; Office Accommodation – 2 percent or R110.6 million; and the Ministry – 0.8 percent or R42.7 million.
- 5.1.4. In terms of the Annual Performance Plan, the department intends to have an unqualified audit opinion with reduced findings in the 2024/25 financial year. The target for Integrated Inmate Management System (IIMS) has been set at 26% in the 2024/25 financial year. The department also plans to have 20% of youth employed in the 2024/25 financial year.

Table 4: Programme 1: Administration

	2023/24 (R'000)	2024/25 (R'000)	Nominal % changes	Real % change	Nominal Rand change	Real Rand change
Programme 1: Administration	4 840.4	5 065.6	4.65%	-0.05%	225.1	-2.3
Sub- programmes						
Ministry	40.2	42.7	6.22%	1.45%	2.5	0.6
Management	867.5	900.7	3.83%	-0.83%	33.2	-7.2
Human Resources	2 052.3	2 150.3	4.78%	0.07%	98.0	1.5
Finance	1 264.5	1 330.3	5.20%	0.48%	65.8	6.1
Assurance Services	139.4	173.0	24.10%	18.53%	33.6	25.8

	2023/24 (R'000)	2024/25 (R'000)	Nominal % changes	Real % change	Nominal Rand change	Real Rand change
Information Technology	370.6	358.0	-3.40%	-7.74%	-12.6	-28.7
Office Accommodation	78.6	110.6	40.71%	34.40%	32.0	27.0

5.2. PROGRAMME 2: INCARCERATION

- 5.2.1. The Incarceration programme provides for services and physical infrastructure that supports secure conditions of incarceration for inmates. The Incarceration programme has five (5) sub-programmes.
- 5.2.2. Being the largest DCS programme, the Incarceration programme is allocated an amount of R16, 829.7 billion for 2024/25, an increase by 6.58 percent in nominal terms compared to the previous financial year. The programme receives 60 percent of the total budget allocation to the Vote. A total of 73 percent (R12, 353.6 billion) of the allocation for this programme goes towards Compensation of Employees.
- 5.2.3. The largest allocation under this programme goes to the Security Operations sub-programme which received R8.9 billion, constituting 53 percent of the total allocation for the Incarceration programme. In contrast, the Judicial Inspectorate for Correctional Services sub-programme receives only R114.6 million or 0.7 per cent of the total allocation to the programme and is the smallest sub-programme. The allocation to the remaining sub-programmes is as follows: Facilities – R4.3 billion or 26 percent; Offender management - R2.6 billion or 16 percent and Remand detention – R874.1 or 5 percent.
- 5.2.4. For the 2024/25 financial year, the department plans to have less than 0.029% of escapes from their correctional facilities, and less than 4.55% of inmates injured as a result of assaults in correctional facilities. The percentage of unnatural death is expected to be less than 0.32% in the 2024/25 financial year. In terms of infrastructure projects, the department plans to complete 17 infrastructure

projects in the current financial year and reduce overcrowding to less than 50% in the same period.

Table 5: Programme 2: Incarceration

	2023/24 (R'000)	2024/25 (R'000)	Nominal % changes	Real % change	Nominal Rand Change	Real Rand change
Programme 2: Incarceration	15 790.0	16 829.7	6.58%	1.80%	1 039.7	284.2
Sub-programmes						
Security Operations	8 154.9	8 923.5	9.43	4.51	768.6	368.0
Facilities	4 317.7	4 298.0	-0.46	-4.92	-19.7	-212.6
Remand Detention	807.0	874.1	8.31	3.45	67.1	27.9
Offender Management	2 429.4	2 619.5	7.82	2.98	190.1	-72.5
JICS	81.1	114.6	41.31	34.96	33.5	28.4

5.3. PROGRAMME 3: REHABILITATION

5.3.1 The Rehabilitation programme provides for needs-based programmes and interventions to facilitate offenders' rehabilitation and eventual reintegration to society. It comprises three sub-programmes: Correctional Programmes, Offender Development and Psychological, Social and Spiritual Services.

5.3.2 The Rehabilitation Programme is allocated an amount of R2.1 billion, receiving 8 percent of the overall allocation to the Vote. A total of 77 percent (R1.6 billion) of the allocation to the programme is for Compensation of Employees. In nominal terms, the allocation for the programme was decreased by 1.93 percent when compared to the 2023/24 allocation.

5.3.3 In terms of the allocations to sub-programmes, the largest allocation is to Offender Development (R1 211.2 billion or 52 percent); Psychological, Social and Spiritual programme (R632 million or 27 percent); and Correctional programme (R476.6 million or 18 percent).

5.3.4 Under rehabilitation programmes, the department intends to have 84% of offenders with Correctional Sentence Plans who have completed correctional programmes in the

current financial year. In addition, 90% of offenders are expected to participate in Long Occupational Skills and 90% of offenders are expected to participate in the General Education and Training in the 2024/25 financial year.

Table 6: Programme 3: Rehabilitation

	2023/24 (R'000)	2024/25 (R'000)	Nominal % Changes	Real % change	Nominal Rand change	Real Rand change
Programme 3:Rehabilitation	2 181.7	2 149.3	-1.93%	-6.34%	-42.4	-138.9
Sub-programmes						
Correctional Programmes	428.3	440.7	2.90	-1.72	-52.0	-102.4
Offender Development	1 175.7	1 123.7	-4.42	-8.71	-52.0	-102.4
Psychological, Social and Spiritual Services	587.7	584.9	-0.48	-4.94	-2.8	-29.1

5.4. PROGRAMME 4: CARE

5.4.1. The Care programme provides for needs-based programmes and services aimed at maintaining the personal well-being of offenders. It comprises two sub-programmes; Nutritional Services and Health and Hygiene Services.

5.4.2. The Care programme is allocated R2, 483.7 billion for 2024/25, which is a decrease by 1.20 percent in nominal terms from 2023/24 allocation. This programme comprises 9.5 percent of the total allocation to the Department in the 2024/25 financial year. Compensation of employees takes up 45 percent (R1, 108.3 billion) of the total allocation to the programme.

5.4.3. The bulk of the budget for the programme is allocated to the Health and Hygiene Services sub-programme (R1, 247.3 billion). The remaining amount (R1, 236.4 billion) is allocated to Nutritional Services.

5.4.4. The target under care programme includes, having 12% of inmates benefitting from therapeutic diets, 90% of inmates screened for hypertension and 95% TB cure rate in the 2024/25 financial year.

Table 7: Programme 4: Care Programme

	2023/24 (R'000)	2024/25 (R'000)	Nominal % changes	Real % change	Nominal Rand change	Real Rand change
Programme 4: Care	2 513.9	2 483.7	-1.20%	-5.86%	-30.2	-141.7
Sub-programmes						
Nutritional Services	1 304.1	1 236.4	-5.19	-19.45	-67.7	-123.2
Health & Hygienic Services	1 209.8	1 247.3	3.10	-1.53	-37.5	-18.5

5.5. PROGRAMME 5: SOCIAL REINTEGRATION

- 5.5.1. The Social Reintegration programme provides for services focussed on offenders' preparation for release, for the effective supervision of parolees, and for offenders' reintegration into society upon their release. It comprises three sub-programmes: Supervision, Community Reintegration, and Office Accommodation (Community Corrections).
- 5.5.2. This programme has been allocated an amount of R1,229.4 billion for the 2024/25 financial year, which is a decrease of 0.45 per cent (or R5.5 million) as compared to the previous financial year. This programme comprises only 4 percent of the total budget of the Department for this financial year. The biggest part (85%) of the programme's budget is allocated to compensation of employees.
- 5.5.3. In terms of sub-programmes, the bulk of the allocation is directed towards Supervision (90%), followed by Community Reintegration (7%), and Office Accommodation: Community Corrections (3%).
- 5.5.4. Under Social Reintegration, the targets include, having 97% of parolees not violating their parole conditions, 97% of probationers not violating their parole conditions, and creating 54 economic opportunities for offenders, parolees and probationers.

Table 8: Programme 5: Social Reintegration

	2023/24 (R'000)	2024/25 (R'000)	Nominal % Changes	Real % change	Nominal Rand change	Real Rand change
Programme 5: Social Reintegration	1 234.9	1 229.4	-0.45%	-4.91%	-5.5	-60.7
Sub-programmes						
Supervision	1 087.9	1 084.4	-0.32	-4.80	-3.5	-52.2
Community Reintegration	99.8	95.6	4.21	8.5	4.2	-8.51
Office Accommodation: Community Corrections	47.2	49.4	4.66	-0.04	2.2	0.0.

6. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

- 6.1. *Audit findings.* The Department of Correctional Services intends to have unqualified audit report with reduced findings in the 2024/25 financial year. In the previous financial years, the Auditor-General has raised the issue of uncertainty of exceptional litigation as a matter of emphasis. The Committee urges the Department to ensure that this matter is addressed in the current financial year and to provide quarterly update on how this is being addressed. The Committee further urges the Department to target a clean audit instead of reduced findings.
- 6.2. *Judicial Inspectorate for Correctional Services (JICS) Inspection target.* The Committee is especially concerned about the lack of JICS' inspection targets in the 2024/25 financial year. Inspections by JICS ensure that treatment of inmates and conditions in correctional centres are reported on independently. The Committee will schedule a meeting with JICS to get a briefing on how inspections will be carried out in the current financial year.
- 6.3. *Integrated Inmate Management System (IIMS) target.* DCS has set the target for IIMS at 26% for the 2024/25 financial year. Although the target for this indicator was set at 12% in 2022/23 period, this was not achieved. The Committee will monitor progress quarterly in the implementation of IIMS to ensure that the target of 26% is ultimately achieved.

- 6.4. *Reduction of rehabilitation and social reintegration budget.* The Committee noted with concern the reduction in the budget allocation for both rehabilitation and social reintegration programmes by R42.4 million and R5.5 million respectively in the 2024/25 financial year. These are the two most important programmes in the DCS as they ensure that offenders are rehabilitated to change their offending behaviour and are then successfully reintegrated back to society as law abiding citizens. The Committee urges the Department to reprioritise their plans and ensure that rehabilitation remains at the centre of departmental activities and that all activities under social reintegration are not compromised.
- 6.5. *Reduction of care budget.* Again, the Committee noted with concern the reduction in the budget of care programme by R30.2 million in the 2024/25 financial year. The Department is encouraged to ensure that nutrition and health of offenders are not compromised because of this reduction. The Committee, through oversight visit, will monitor the quality of health care services provided to offenders to ensure that it is not compromised.
- 6.6. *Overcrowding of Correctional Centres.* Overcrowding remains the biggest challenge facing the Department of Correctional Services. In the 2024/25 financial year, the Department has set the target for overcrowding at less than 50 per cent. Some of the contributing factors to overcrowding includes remand detainees who have been offered bail of less than R300 but could not afford. The Committee is concerned that with overcrowding, injuries as a result of assault will increase in correctional centres, contrabands such as cellphones and drugs will find their way into correctional facilities. The Committee therefore calls upon the DCS to come up with other alternative measures that will reduce overcrowding in correctional centres including electronic monitoring which will also assist in addressing parole absconders. The Committee further encourages the Department to work with other role-players within the Criminal Justice System, especially the Department of Justice, to look at the possibilities of introducing night courts.
- 6.7. *Official accommodation and Safety of Correctional officials.* The Committee remains concerned about lack of official accommodation for correctional officials as well as the safety of officials especially in correctional centres. The Committee therefore call

upon the DCS to address these matters. The Department is requested to provide the Committee with quarterly updates regarding both matters.

- 6.8. *Institutional gangsterism and drug abuse*: Gangsterism and smuggling of drugs in correctional centres remains the biggest challenge in correctional facilities across the country as they inhibit rehabilitation and successful reintegration of offenders back to the community. The Committee will schedule a meeting with the DCS to receive a briefing on how they deal with gangsterism and contrabands in correctional centres going forward.
- 6.9. *Employment equity*. The Committee is pleased to see an improvement in the equity target of the Department of Correctional Services especially for women. The Committee urges the Department to ensure that this target is not reduced in future.

7. Appreciation

- 7.1. The Committee wishes to thank the following for their assistance in this process:
- 7.1.1. The Minister and Deputy Minister of Correctional Services.
- 7.1.2. The National Commissioner and the officials of the Department of Correctional Services.

8. Recommendation

- 8.1. Having considered the Annual Performance Plan for 2024/25 of the Department of Correctional Services, the Committee supports it and recommends that the National Assembly approve it.
- 8.2. Having considered Vote 22: Correctional Services, the Committee supports it and recommends that the National Assembly approve it.

Report to be considered.

3. Report of the Portfolio Committee on Justice and Constitutional Development on Budget Vote 27: Office of the Chief Justice and the Annual Performance Plan of the Office of the Chief Justice for 2024/25, dated 10 July 2024

The Portfolio Committee on Justice and Constitutional Development, having considered Budget Vote 27: Office of the Chief Justice and the Annual Performance Plan of the Office of the Chief Justice for 2024/25, reports as follows:

1. Context

- 1.1. On 9 July 2024, the OCJ presented its Annual Performance Plan 2024/25 and Budget for the 2024 MTEF on 9 July 2024. The presentation is available from the Committee Secretariat.

2. Overview Budget 2024 MTEF

2.1. Peace and Security

Peace and Security allocation 2024 MTEF

Function (R' billion)	2023/24 (Revised)	2024/25	2025/26	2026/27	% Total MTEF allocation
Defence and State Security	53.51	53.51	55.43	57.91	2.7%
Police Services	117.10	125.01	131.23	137.11	6.4%
Law Courts and Prisons	52.12	54.43	56.80	59.40	2.8%
Home Affairs	14.11	11.10	11.03	12.04	0.6%
Total	236.83	244.04	254.50	266.50	12.4%

2.1.1. The Peace and Security Function - of which Law Courts and Prisons are part - accounts for 12.4% of government's consolidated expenditure. The Function is allocated R765 billion over the medium term to combat crime and ensure territorial integrity.

2.1.2. An additional R12.3 billion is allocated to Peace and Security over the medium term: R39.4 billion is allocated to selected departments to cover the carry through costs of the 2023/24 public-service wage increase but there are reductions of R15 billion to Goods and services' budgets.

2.1.3. Approximately 22.3% of the overall allocation to Peace and Security goes to 'Law courts and prisons'. Specifically, the Office of the Chief Justice accounts for slightly less than 1% of the overall allocation to the Function.

2.2. Vote 27 Office of the Chief Justice

Programme allocation 2024 MTEF

Programme (R' million)	2023/24 (Adjusted)	2024/25	2025/26	2026/27	% Total MTEF allocation	Real % change
Administration	264,6	270,4	280,0	294,3	11%	-2.4%
Superior Court Services	1 019,6	904,0	935,7	984,7	38.1%	-15.3%
Judicial Education and Support	55.4	48,0	49,8	52,1	2%	-17.3%
Sub-Total	1 339,5	1 222,4	1 265,5	1 331,0	52.2%	-
Judges' salaries	1 238,7	1 175,2	1 227,9	1 284,1	48.8%	-9.4%
Total	2 578,2	2 397,6	2 493,4	2 615,2	100%	-11.2%
Change to 2023 estimate	-	(138,5)	(154,3)	(153,8)	-	-

- 2.2.1. The OCJ is allocated R2.39 billion in 2024/25, compared with R2.58 billion in 2023/24, growing to R2.62 billion in 2026/27. In real terms the allocation to the Vote decreases by -11.2% compared to 2023/24.
- 2.2.2. A total of R1.2 billion is allocated to programmes, while the remaining R1.17 billion is a direct charge for Judges' salaries. Over the medium term, 52.2% is spent on programmes.
- 2.2.3. The allocations to all programmes decrease in real terms compared to 2023/24 (Administration by -2.4%; Superior Court Services by -15,3%; and Judicial Education and Support by -17.3%). Similarly, the allocation for Judges salaries decreases in real terms by -9.4% compared to 2023/24.

Budget allocation per economic classification 2024 MTEF

Economic Classification	Adjusted Appropriation 2023/24	MTEF			% Total MTEF allocation	Real % change
		2024/25	2025/26	2026/27		
	R' million					
Compensation of employees	1 971,3	1 902,3	1 998,7	2 089,2	78.9%	-7.8%
Good and services	384,1	295,3	291,1	309,1	12.7%	-26.6%
Transfers and subsidies	136,4	143,1	149,1	155,9	5.8%	0.2%
Payments for capital assets	86,4	56,9	54,5	61,0	2,6%	-37.0%
Payment for financial assets	-	-	-	-	-	-
Total	2 578,2	2 397,6	2 493,4	2 615,2	100%	-11.2%

- 2.2.4. In terms of economic classification, R1.9 billion is allocated to Compensation of employees, R295.3 million to Goods and services, R143.1 million to Transfers and subsidies and R56.9 million for Payment of capital assets.

2.2.5. The allocations for Compensation of employees and Goods and services decrease in real terms by -7.8% and -26.6% respectively. Further, the allocation to Payments for capital assets (Machinery and equipment) decreases by -37% compared to 2023/24.

2.2.6. Some of the OCJ's main cost drivers are:

- Cost of Employees (CoE) at 79% of the allocation (the OCJ is a labour-intensive department).
- The legislated benefit for Judges' motor vehicles is estimated to increase to 52% of the 2024/25 operational budget.
- Travel and subsistence expenses, such as training, circuit courts, conferences etc.
- Costs relating to the activities of the Judicial Service Commission (JSC).
- Costs relating to Information and Communication Technology (ICT).
- The appointment of acting Judges, which puts strain on the Direct Charges' allocation and Voted Funds allocation as every acting Judge appointed requires human and physical resources, for example, support staff, a motor vehicle, etc (the estimated cost for the appointment of one Acting Judge is R1,27 million).

3. Budget reductions 2024 MTEF

3.1.1. The OCJ experiences reductions amounting to R446.6 million over the medium term, as follows:

	Adjusted Allocation	MTEF		
	2023/24	2024/25	2025/26	2026/27
	R'000	R'000	R'000	R'000
Compensation of employees	822 493	857 289	893 534	934 471
Goods and services	384 119	387 650	406 675	423 868
Transfers and subsidies	1 500	1 376	1 194	1 243
Purchase of capital assets	96 418	114 659	118 372	125 235
Total	1 304 530	1 360 974	1 419 775	1 484 817
Budget cuts	(10 000)	(138 546)	(154 269)	(153 779)

3.1.2. The allocated budget for 2024/25 is 6% or R160.5 million lower than the 2023/24 actual expenditure, mainly because of the R138 million budget reduction.

3.1.3. The impact of the R138 million budget reduction results in overspending which will recur monthly throughout the financial year, if not mitigated by National Treasury through the allocation of additional funds to the OCJ. The current information shows that the budget reduction will lead to:

- Overspending of the allocated budget for 2024/25 by R329.3 million.
- Compromised support to the Judiciary and Superior Courts that will affect the realisation of the set performance targets.
- Challenges meeting payments in terms of some existing contractual obligations.
- Challenges in filling critical vacancies.
- The budget shortfall impacts negatively on service delivery and access to justice.

4. Strategic direction and Annual Performance Plan for 2024/25

- 4.1. The OCJ's core function is to provide administrative support to the judiciary and has consequently adopted the following strategic outcomes:
- Effective and efficient administrative support.
 - Improved court efficiency.
 - Enhanced judicial education and support.
- 4.2. In this way, the OCJ responds to Chapter 14 of the National Development Plan 'Promoting accountability and fighting corruption', particularly contributing to the focal area 'strengthen judicial governance and the rule of law' by:
- Accelerating reforms to implement a judiciary-led court administration.
 - Ensuring an efficient court system.
 - Reducing inefficiencies in the administration of the courts.
 - Ensuring access to justice.
- 4.3. The OCJ also responds to Chapter 13 of the National Development Plan 'Building a capable and developmental State' by ensuring good governance in the administration of the Department.
- 4.4. The Revised Medium Term Strategic Framework (MTSF) 2019 – 2024 acknowledges that the challenges of poverty, inequality and unemployment continue to hold back national development. To address these challenges, a number of priority areas are identified, including 'A capable, ethical and developmental state' and 'Social cohesion and safe communities'. The MTSF also recognizes the lack of access to resources and opportunity for Women, Youth and People with Disabilities as cross-cutting, requiring a variety of interventions. Further priorities to be included by departments in the planning cycle are: 'Compliance with the Financial Disclosure Framework'; and 'Modernisation and digitalization of departmental processes'; and 'Economic transformation and job creation'.
- 4.5. The OCJ contributes to the revised MTSF priorities by focusing on:
- '*Priority 1: A capable, ethical and developmental State*' by:

- Addressing fraud and corruption.
 - Promoting an ethical culture.
 - Integrating ‘Batho Pele’ principles into the Department’s institutional culture.
 - Adhering to corporate governance principles such as leadership, strategy and performance, and risk and stakeholders’ management.
 - Improving court systems.
 - Modernising court processes and systems.
- ‘Priority 2: Economic transformation and job creation’ by implementing equity programmes targeting employment and empowerment of youth, women, and people with disabilities in both its recruitment and procurement processes. In addition, the OCJ will continue to support SMMEs through procurement processes and comply with the 2022 Preferential Procurement Regulations. To further give effect to this priority, the OCJ will continue to collaborate with various stakeholders, such as the National Treasury and the Department of Trade, Industry and Competition (DTIC).
 - ‘Priority 6: ‘Social cohesion and safe communities’, by ensuring access to a safe and secure court environment and improving the efficiency of court processes, as well as capacitating and resourcing the courts for them execute their mandate.

4.6. The OCJ has the following outcomes and outputs:

IMPACT STATEMENT: QUALITY AND ACCESSIBLE JUSTICE FOR ALL			
OUTPUTS	OUTCOME: EFFECTIVE AND EFFICIENT ADMINISTRATIVE SUPPORT	OUTCOME: IMPROVED COURT EFFICIENCY	OUTCOME: ENHANCED JUDICIAL PERFORMANCE
		Clean audit outcome	Default judgment finalised within 14 days

Financial disclosure submitted	Bills of costs finalised within 60 days	Monographs on judicial education
Procurement of goods and services above R500 000 awarded to suppliers	Warrants of release (J1) delivered within one day	Monitoring reports on the management of litigations
Funded vacant posts reduced	Monitoring reports on law reporting project	Reports on judicial appointment and complaints
Empowered youth	Reports on enhancement of court order integrity	Report on disclosures for Judges Registerable interests
Women represented at SMS levels	Judicial case-flow management performance reports	
People with disabilities representation		
Court online system rolled out at service centres		
Employee Health and Wellness programmes		
Staff trained in line with WSP		
Fraud cases investigated within prescribed timeframes		
Fraud prevention and anti-corruption awareness sessions		
ICT Disaster Recovery Strategy		

4.7. *Aligning planning to expenditure:*

4.7.1. Expenditure on Compensation of employees' accounts for an estimated 78.9% of the OCJ's budget over the medium term. To minimise the impact of reductions of R446.6 million over the medium term, the OCJ plans to implement cost-containment measures by, for example, reducing travel and filling only critical vacant posts.

- 4.7.2. Over the MTEF period, the OCJ aims to strengthen access to justice by ensuring effective administration through modernising processes and infrastructure in the superior courts. To optimise court proceedings over the next 3 years, a cloud-based digital platform will be implemented that is aimed at providing online case initiation, case management and evidence presentation. This is expected to result in an increase in the rate of finalisation of default judgments from 76% in 2023/24 to 93% in 2026/27, and taxations from 85% to 99% over the medium term. This forms part of the broader integrated criminal justice strategy, led by the Department of Justice and Constitutional Development, which aims to increase the efficiency of the entire criminal justice system. Funds are allocated to the Superior Court Services programme, which has a budget of R2.8 billion over the MTEF period.
- 4.7.3. To enhance turnaround times, the Court Online system is expected to be rolled out in 2024/25 to the Labour Court, Labour Appeal Court, and the Land Court in Gauteng. The intention is to implement the system in all courts. For this, R538.6 million is allocated over the next three years under the Corporate Services subprogramme in the Administration programme.
- 4.7.4. Through the South African Judicial Education Institute, the OCJ will continue to provide virtual judicial training courses, the number of which is expected to increase from 115 in 2023/24 to 130 in 2026/27. The OCJ will also continue to provide secretariat and administrative support to the Judicial Service Commission's public process of appointing judicial officers to replace those who retire or die. This activity is funded through an allocation of R26.9 million over the MTEF period in the Judicial Service Commission subprogramme in the Judicial Education and Support programme.

5. Personnel

As at June 2024	Permanent filled	Vacancies	Posts	Contracts	Warmbodies
Administration	210	11	200	215	246
Superior Court Services	1919	28	1829	1743	1806
Judicial Education and Support	40	1	47	48	50
Total	2920	273	2118	2123	2096

5.1. As of June 2024, the OCJ had a vacancy rate of 10.72%. This excludes the 15 ICT Posts recently approved by MPSA for creation and filling. If these positions are included, the vacancy rate rises to 11%.

5.2. At senior management level, the following posts are vacant:

Name of the post	Unit/Directorate	Salary level
Director Court Operations: Gauteng	Court Admin	13
Director: Strategy and Service Delivery Improvement	Strategy and Planning	13
Director: Policy and Research	Policy and Research	13
Director: Internal Audit	Internal Audit	13
Chief Director: Internal Audit	Internal Audit and Risk Management	14
Chief Director: Strategy and System	Strategy and System	14

6. Impact of vacancies on judicial functions

Post	Number of posts	Vacancies	Impact if support is lacking
Judges' secretaries	311	25	<ul style="list-style-type: none"> • A judge unable to appear in court without the support of a secretary. • Justice delayed. • Affects public confidence and constitutional rights
Law researchers	67	25	<ul style="list-style-type: none"> • The research capacity to enable the judiciary to deliver timeous judges is impacted. • Justice delayed. • Affects public confidence.
Court Interpreters	119	5	The court will not be able to sit as interpretation affects the right to a fair trial.
DCRS Clerks	239	12	<ul style="list-style-type: none"> • Court proceedings will not be recorded. • Case outcomes delayed
Registrars	111	15	The decision and orders by the Judge will not be executed or delayed. The right to access to information will be affected
Librarians	50	5	Assists the Judiciary with reference works and manages the library of each Superior Court.

7. Programmes

7.1. Programme 1: Administration

7.1.1. The purpose of this programme is to provide strategic leadership, management and support services to the Department. The programme consists of the following sub-programmes:

- The Management subprogramme, which provides administrative, planning, monitoring, evaluation, performance reporting and risk management functions necessary to ensure effective functioning of the Department.
- The Corporate Services sub-programme, which provides an integrated Human Resources Management (HRM), Information and Communication Technology (ICT) and Security Management Support Services to the Department.
- The Financial Administration subprogramme, which provides overall financial, asset and supply chain management services to the Judiciary and the Department.
- The Internal Audit sub-programme, which provides overall internal audit and forensic audit services to the Department.
- The Office Accommodation sub-programme, which provides for the acquisition of office accommodation.

7.1.2. Output indicators and targets are as follows:

Administration: Output indicators and annual targets

Output Indicator	Targets			
	2023/24*	2024/25	2025/26	2026/27
Outcome: Effective and efficient administrative support				
Audit outcome for the OCJ	Clean audit outcome	Clean audit outcome	Clean audit outcome	Clean audit outcome
Percentage of procurement of goods and services above R500 000 awarded to suppliers who meet the specific goals	80% (Baseline)	80%	85%	85%
Percentage of designated employees who	100%	100%	100%	100%

Output Indicator	Targets			
	2023/24*	2024/25	2025/26	2026/27
submitted financial disclosures within timeframes				
Percentage of vacant posts on the funded establishment	10% or lower	10% or lower	10% or lower	10% or lower
Empowered youth (Percentage of staff in the department comprised of youth)	30%	30%	30%	30%
Percentage of women representation in Senior Management Service (SMS)	50%	50%	50%	50%
Percentage of people with disabilities representation	2%	2%	2%	2%
Court online system implemented at service centres	7	2	2	11
Number of Employee Health and Wellness programmes implemented	12	16	20	22
Staff trained in line with the Workplace Skills Plan (WSP)	70%	80%	80%	80%
Percentage of fraud cases investigated within 60 working days	75%	75%	75%	75%

Output Indicator	Targets			
	2023/24*	2024/25	2025/26	2026/27
Number of Fraud Prevention and Anti-Corruption awareness sessions conducted	26	28	28	30
ICT Disaster Recovery Strategy implemented	ICT Disaster Recovery Site established	ICT Disaster Recovery Site maintained	ICT Disaster Recovery Site maintained	ICT Disaster Recovery Site maintained

* Estimated Performance

7.1.3. *Personnel*. The Programme has 215 personnel in 2024/25, compared with 200 in 2023/24.

7.1.4. Planned expenditure:

Administration: Programme allocation 2024 MTEF

Subprogramme	2023/24	2024/25	2025/26	2026/27	%	Real %
	R'million				Expenditure	Change
Management	39,0	37,2	38,4	40,2	14%	-8,90%
Corporate Services	165,4	172,4	178,3	187,9	63.5%	-0,45%
Financial Administration	35,3	36,1	37,6	39,3	13,5%	-2,32
Internal Audit	21,8	24,7	25,7	26,9	9%	8,22%
Total	261,4	270,4	280,0	294,3	100%	
Change to 2023 Budget estimate		(12.7)	(15.3)	(14.5)	-	-1.2%

- The Administration programme is allocated R270.4 million in 2024/25 (compared to R262.4 in 2023/24), growing to R294.3 million in 2026/27.

- The allocation to this Programme decreases in real terms by -1.2% in 2024/25.
- Over the medium term, the main cost drivers for the Programme are Compensation of employees at 51.3% and Goods and services at 43.1% of the Programme allocation for that period.

7.2. Programme 2: Superior Court Services

7.2.1. This programme provides judicial support and court administration services to the Superior Courts.

7.2.2. The programme consists of the following sub-programmes:

- The Administration of Superior Courts subprogramme provides administrative and technical support to the Superior Courts, monitors the overall performance of the Superior Courts, and enhances judicial stakeholder relations.
- The Constitutional Court subprogramme funds the activities and operations of the Constitutional Court.
- The Supreme Court of Appeal subprogramme funds the activities and operations of the Supreme Court of Appeal.
- The High Courts' subprogramme funds the activities and operations of the various high court divisions.
- The Specialized Courts subprogramme funds the activities and operations of the Labour and Labour Appeal Court, Land Court, Electoral Court and Competition Appeals Court.

7.2.3. Output indicators and annual targets are as follows:

Superior Court Services – Output indicators and annual targets

Output Indicator	Targets			
	2023/24*	2024/25	2025/26	2026/27
Outcome: Improved court efficiency				
Percentage of default judgments finalised by Registrars within 14 days	76%	90%	93%	93%
Percentage of taxation of legal costs finalised within 60 days from date of set down	85%	90%	99%	99%
Percentage of warrants of release delivered within one day of release granted	100%	100%	100%	100%
No. of monitoring reports on law reporting project produced	4	4	4	4
Number of Judicial Case Flow Management Performance reports produced	4	4	4	4
Number of reports on enhancement of court order integrity produced	4	4	4	4

***Estimated performance**

7.2.4. Planned expenditure

Superior Court Services: Programme allocation 2024 MTEF

Subprogramme	2023/24	2024/25	2025/26	2026/27	%	Real %
	R'million				Expenditure	Change
Administration of Superior Courts	21,9	18,2	18,5	19,9	2%	-20.6%
Constitutional Court	64,5	74,6	77,2	82,4	7.8%	10.5%

Subprogramme	2023/24	2024/25	2025/26	2026/27	%	Real %
	R'million				Expenditure	Change
Supreme Court of Appeal	44,5	38,8	39,5	42,4	4.3%	-16.7%
High Courts	816,0	710,6	736,7	774,0	79%	-16.8%
Specialised Courts	72,6	61,8	63,8	66,0	6.9%	-18.7%
Total	1 019,6	904,0	935,7	984,7	100%	-15.3%
Change to 2023 Budget estimate	-	(118,1)	(131,8)	(131,7)	-	-

- The Superior Courts Services programme is allocated R904 million in 2024/25, compared to R1 019.6 million in 2023/24; R935.7 million in 2025/26; and R984.7 million in 2026/27. This is the OCJ's largest Programme, consuming 74% of the overall allocation to Programmes.
- In real terms, the allocation to the Programme decreases by -15.3% from 2023/24.
- Due to the labour-intensive nature of the OCJ's work, an estimated 78.4% of the budget in this programme is earmarked over the medium term for spending on Compensation of employees. Notably, the number of personnel is expected to increase marginally from 1 749 in 2023/24 to 1 753 in 2024/53.

7.3. Programme 3: Judicial Education and Support

7.3.1. *Judicial Education and Support* provides education programmes to Judicial Officers, including policy development and research services for the optimal administration of justice.

7.3.2. The programme has the following sub-programmes:

- The South African Judicial Education Institute sub-programme funds the activities of the SAJEI to provide training for Judicial Officers.

- The Judicial Policy, Research and Support sub-programme funds the provision of advisory opinions on policy development and regulatory services to the Judiciary and the Department.
- The Judicial Service Commission subprogramme provides secretariat and administrative support services to the Judicial Service Commission to perform its constitutional and legislative mandates effectively.

7.3.3. Output indicators and targets are as follows:

Judicial Education and Support – Output indicators and annual targets

Output Indicator	Annual Targets			
	2022/23*	2023/24	2024/25	2025/26
No. of judicial education courses conducted	115	120	125	130
No. of research monographs for Judicial Education produced per year	2	2	2	2
No. of litigation reports produced	5	5	5	5
No. of reports on judicial appointments and judicial complaints produced	3	3	3	3
Number of reports on the status of disclosures for Judges Registrable Interests produced	2	2	2	2

* Estimated Performance

7.3.4. Planned expenditure

Judicial Education and Support: Programme allocation 2024 MTEF

Subprogramme	2023/24	2024/25	2025/26	2026/27	%	Real % Change
	R'million				Expenditure	
Judicial Education and Support	30,1	22,3	24,0	15,1	49.4%	-29.2%

Subprogramme	2023/24	2024/25	2025/26	2026/27	%	Real %
	R'million				Expenditure	Change
Judicial Policy, Research and Support	17,3	17,2	16,9	17,6	33.6%	-5.0%
Judicial Service Commission	8,0	8,5	9,0	9,4	17%	1.5%
Total	55,4	48,0	49,8	52,1	100%	-17.3%
Change to 2023 Budget estimate	-	(7,8)	(7,2)	(7,6)	-	-

- The Judicial Education and Support programme is allocated R48.0 million for 2024/25 (compared to R55.4 million in 2023/24); R49.8 million in 2025/26; and R52.2 million in 2026/17.
- In real terms, the allocation decreases by -17,3% from 2023/24.
- In terms of economic classification, average spending on compensation of employees over the medium term is 54.4%, whereas average spending on Goods and Services for the same period is at 44.1%.
- The number of personnel for Programme 3 is expected to increase from 40 officials in 2023/24 to 48 in 2024/45.
- The spending focus for this programme remains on conducting training for judicial officers. Under Judicial Education and Support, the OCJ plans to increase the number of judicial education and training courses from 115 in 2024/25 to 130 in 2026/27.

8. Committee's observations

- 8.1. The Committee regrets the limited time available to engage with the OCJ regarding its budget and performance plan for 2024/25 and onwards.
- 8.2. The Committee notes that the OCJ is allocated approximately R2.4 billion for 2024/25 but its budget is reduced by R446.6 million over the MTEF, affecting its operational budget, in particular. The Committee appreciates

the OCJ plans to address the reductions through the implementation of cost-containment measures, for example, by reducing travel and filling only critical vacant posts. However, the Committee is deeply concerned whether these measures will be sufficient. The Committee notes that the OCJ anticipates a budget deficit for 2024/25 and is engaging National Treasury on this.

- 8.3. The Committee notes that the OCJ reports an increased demand and workload that must be funded. For example, the permanent appointment of Judges to the Land Court and Labour Appeals Court requires the creation of additional posts to support the Judiciary. Further, new legislation such as the Land Court Act, 2024, envisages the appointment of mediators at the State's expense. The OCJ reports that it is engaging the National Treasury about funding for these and similar items.
- 8.4. The Committee is concerned by the increased number of vacancies, particularly those at senior management level that provide direct support to Judges. The OCJ reported its difficulties in filling vacancies, specifically the lack of budget and cumbersome bureaucracy. The Committee also notes that, since the human resources' function was transferred to the OCJ from the Department of Justice and Constitutional Development, the OCJ has not been able to do a proper workload analysis to determine the ideal structure. Additional needs are determined on an *ad hoc* basis, which is challenging, as funding is lacking to expand on the current establishment.
- 8.5. The Committee notes widely expressed concerns about the state of our courts, including poorly maintained buildings and inadequate safety measures. It is, therefore, concerning that court administration remains fragmented with key aspects remaining with the Department of Justice and Constitutional Development. The Committee notes that the Executive has promised a policy to address judicial governance and court administration for more than a decade but this Policy and the accompanying legislation to establish a single judiciary have not been forthcoming. the Committee urges the finalisation of the policy and its accompanying legislation as a priority. Not only is the establishment of a single judiciary a constitutional

imperative but also the lack of an appropriate policy and legislative framework contributes to the many inefficiencies and other challenges that our courts experiences.

8.6. The Committee notes that the OCJ plan to roll out Court Online at two centres in 2024/25. The progress of the Court Online project is disappointing, especially as this modernisation project is vitally important to efforts to make the courts more efficient and accessible. In this regard, the Committee notes the OCJ's frustration that its dependence on SITA is contributing to the delays.

8.7. The Committee requests a written report regarding the progress of the litigation concerning the Caselines tender irregularities.

9. **Appreciation**

9.1. The Committee thanks the Minister and Deputy Minister of Justice and Constitutional Development, the Secretary-General and the officials of the OCJ for their assistance in this process.

10. **Recommendations**

10.1. The Committee, having considered Vote 27: Office of the Chief Justice for 2024/25, recommends that it be approved.

Report to be considered

4. REPORT OF THE PORTFOLIO COMMITTEE ON EMPLOYMENT AND LABOUR ON BUDGET VOTE 31: EMPLOYMENT AND LABOUR, THE STRATEGIC PLAN OF THE DEPARTMENT 2020/21 – 2024/25 AND THE ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT 2024/25, DATED 10 JULY 2024

The Portfolio Committee on Employment and Labour, having considered the budgets of the Department in line with their 2020 - 2025 Strategic Plans and Annual Performance Plans which were presented to it on 9 July 2024, reports as follows:

1. INTRODUCTION

The Department of Employment and Labour (Department) derives its legislative mandate from the Constitution, particularly the Bill of Rights. Some of the relevant sections include section 9 - Equality; section 10 - Human dignity; section 18 - Freedom of association; 23 – Sound labour relations; section 24 – Environment; section 27 – Health care, food, water and social security; section 28 – Children; and section 34 – Equal access to courts. These Constitutional rights are given effect through various pieces of legislation, including the Labour Relations Act (1995); the Basic Conditions of Employment Act (1997); the Employment Equity Act (1998); the Occupational Health and Safety Act (1993); the Employment Services Act (2014); and the National Minimum Wage Act (2018).

Policy Mandate of DEL

- Improved economic efficiency and productivity.
- Creation of decent employment.
- Promoting labour standards and fundamental rights at work.
- Providing adequate social safety nets to protect vulnerable workers
- Sound labour relations.
- Eliminating inequality and discrimination in the workplace.
- Enhancing occupational health and safety awareness and compliance in the workplace.
- Give value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for competitiveness of enterprises which is balanced with the promotion of decent employment.

Vision and Mission of DEL

- The DEL strives for a labour market which is conducive to investment, economic growth, employment creation and decent work.

Values of DEL

DEL shall at all times be exemplary in all respects

- DEL treat employees with care, dignity and respect.
- DEL respect and promote:
 - Client centred services
 - Accountability
 - Integrity and ethical behaviour
 - Learning and development
- DEL live the Batho Pele Principles
- DEL live the principles of the DEL Service Charter
- DEL inculcate these values through its performance management system.

This report covers the Strategic Plan of the Department 2020-2025, Annual Performance Plan 2024/25 and the Budget Review of the Department and its entities. It is based on presentations made to the Portfolio Committee on Employment and Labour on 13 and 20 March 2024.

2. THE STRATEGIC PLAN OF THE DEPARTMENT OF EMPLOYMENT AND LABOUR 2020 - 2025

2.1. Programmes and entities of the Department

The functions of the Department are structured into four programmes, namely:

- Programme 1: Administration
- Programme 2: Inspection and Enforcement Service (IES)
- Programme 3: Public Employment Services (PES)
- Programme 4: Labour Policy and Industrial Relations (LP&IR)

The following entities report to the Department:

- Supported Employment Enterprises (SEE). This is not a stand-alone entity like CCMA and Nedlac.

- Unemployment Insurance Fund (UIF), Schedule 3A Public Entity as per PFMA. UIF report to the DG.
- Compensation Fund (CF), Schedule 3A Public Entity. CF also report to the DG like the Unemployment Insurance Fund.
- Commission for Conciliation, Mediation and Arbitration (CCMA), Stand alone and report directly to the Minister of Employment and Labour.
- National Economic Development and Labour Council (NEDLAC). Report directly to the Minister
- Productivity South Africa (PSA)

2.2. The Department and Medium-Term Strategic Framework (MTSF) 2020 - 2025

In the medium term the Department will contribute mainly to the following government service delivery MTSF priorities:

- Priority 1: A capable, ethical and Developmental State
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills and health
- Priority 4: Consolidating the social wage through reliable and basic services
- Priority 5: Spatial development, human settlements and local government (not directly applicable to DEL although DEL participates in the District Development Model through Provincial Offices and Labour Centres)
- Priority 6: Social cohesion and safer communities
- Priority 7: A better Africa and a better world

2.3. The Annual Performance Plan of the Department of Employment and Labour

Table 1: Government Service Delivery Priorities and DEL implementing Entities

Government Priority	Implementing Branch/ Entity
1. A capable, ethical and developmental State	Administration (DEL & PE)
2. Economic transformation and job creation	IES; PES; LP&IR; SEE; UIF; CF; CCMA; Productivity SA; and Nedlac
3. Education; skills; and health	IES; PES; UIF; CF; and Productivity SA

4. Consolidating the social wage through reliable and basic services	IES; UIF; and CF
5. Spatial development and human settlements and local government	This priority is not directly applicable to DEL although DEL participates in the District Development Model through Provincial Offices and Labour Centres
6. Social cohesion and safer communities	LP&IR
7. A better Africa and a better world	LP&IR

Source: Presentation to PC Employment and Labour dated 9 July 2024

The budget of the department is as outlined in table 1 below.

Table 2: Budget allocation of the Department 2022/23

Programme		2023/24	2024/25	2025/26	2026/27	Total
		R'000	R'000	R'000	R'000	R'000
1.	Administration	1 055 471	1 029 693	1 087 659	1 137 778	3 255 130
2.	Inspections and Enforcement Services	632 068	661 173	690 034	721 671	2 072 878
3.	Public Employment Services	997 826	901 785	683 041	717 730	2 302 556
4.	Labour Policy and Industrial Relations	1 331 349	1 262 191	1 316 278	1 378 760	3 957 229
Total		4 016 714	3 854 842	3 777 012	3 955 939	11 587 793
Economic Classification						
Compensation of Employees		1 427 325	1 501 874	1 546 907	1 617 779	4 666 560
Goods and Services		733 778	629 162	657 003	687 064	1 973 229
Transfers and Subsidies		1 757 365	1 615 316	1 447 908	1 520 283	4 583 507

Payment for Capital Assets	98 246	108 490	125 194	130 813	364 497
Total	4 016 714	3 854 842	3 777 012	3 955 939	11 587 793

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

The total budget of the Department amounts to R3.85 billion in 2024/25 financial year. This is a reduction of R297.6 million from the previous year's budget. The larger portion of the budget goes to Transfers and Subsidies and Compensation of Employees at R1.6 billion (41.9%) and R1.5 billion (39.0%) respectively. However, the Transfers and Subsidies and Goods and Services budgets were reduced by R170.5 million (57.3%) and R111.6 million (37.5%) respectively.

Productivity SA and Supported Employment Enterprises received budget transfers of R61.5 million and R184.7 million respectively. This represents budget cuts of R4.6 million and R26.9 million respectively.

The CCMA and Nedlac received budget allocations of R975.8 million and R75.8 million respectively. This represents budget reductions of R121.7 million and R8.4 million respectively.

Budget Reductions per Programme

Table 3: Budget per Programme

Programmes	2024/25	2025/2026	2026/27	Total
Administration	-96 212	-101 540	-106 234	-303 986
IES	-18 068	-19 123	-19 976	-57 167
PES	-39 730	-47 587	-46 141	-133 458
LP&IR	-143 567	-152 245	-156 942	-452 754
Total	-297 577	-320 495	-329 293	-947 365

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

Table 4: Budget Reduction per Economic Classification

Economic Classification	2024/25	2025/26	2026/27	Total
Goods and Services	-111 582	-116 894	-122 528	-351 004
Transfer and Subsidies	-170 476	-186 230	-188 721	-545 427
Machinery and Equipment	-15 519	-17 371	-18 044	-50 934

Total	-297 577	-320 495	-329 293	-947 365
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Source: Presentation to the PC on Employment and Labour dated 9 July 2024

Table 5: PES: MTEF Budget Transfers

PES	2023/24	2024/25	2025/26	2026/27	Total
Compensation Fund	15 586	12 508	13 247	15 038	40 793
Productivity SA	62 931	61 472	64 123	67 055	192 650
Supported Employment Enterprises	187 160	184 684	195 545	206 997	587 226
Designated Group Special Services	25 156	21 657	22 718	23 850	68 225
Industrial Development Corporation	-	57 500	-	-	57 500
GTAC	298 466	172 500	-	-	172 500
Total	589 299	510 321	295 633	312 940	1 118 894

Table 6: PES: Transfers Reductions

PES	2024/25	2025/26	2026/27	Total
CF	-6 913	-7 044	-6 183	-20 140
PSA	-4 275	-4 569	-4 784	-13 628
SEE	-19 982	-26 946	-25 687	-72 615
DGSS	-4 629	-4 746	-4 872	-14 247
Total	-35 799	-43 305	-41 526	-12 630

Table 7: LP&IR: MTEF Budget Transfers

LP&IR	2023/24	2024/25	2025/26	2026/27	Total
Strengthening Civil Society	24 854	23 892	24 962	26 106	74 960
International Labour Organisation	23 325	28 192	29 456	30 805	88 453

CCMA	1 042 163	975 853	1 016 475	1 065 322	3 057 650
Nedlac	73 610	75 839	80 109	83 779	239 727
Total	1 162 952	1 103 776	1 151 002	1 206 012	3 460 790
RDP Funds- (E4E)	30 538	30 619	-	-	30 619

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

Table 8: LP&IR: Transfers Reductions

LP&IR	2024/25	2025/26	2026/27	Total
Strengthening Civil Society	-2 078	-2 171	-2 270	-6 519
ILO	-2 452	-2 561	-2 679	-7 692
CCMA	-121 721	-130 270	-133 960	-385 951
Nedlac	-8 426	-7 923	-8 286	-24 635
Total	-134 677	-142 925	-147 195	-424 797

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

2.3.1. Programme 1: Administration

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

The budget allocation for Programme 1 amounts to R1 billion (R1 029 693 000) in 2024/25 financial year. This is the second largest programme budget allocation after Programme 4. However, this programme's budget was reduced by R96.2 million from the previous year budget allocation.

Key performance indicators for the Administration programme are as follows:

- All vacant funded posts filled within 12 months.
- 47% of Senior Management Services (SMS) positions occupied by women per annum.
- 24% of positions occupied by youth.
- 2.3% of positions occupied by people with disabilities (PWD).

- 100% implementation of roadmap phase 2 to improve information security status of the Department per annum.
- Legacy systems transition to modern integrated SAP platform concluded by 31 March 2025.
- 100% roll out of the Ethics Work Plan for the year to ensure functionality of ethics structures and adequate capacity per annum.
- 75% of corruption/ fraud cases finalised by Department through investigations within 6 months of receipt.
- 80% of consequence management cases related to corruption finalised by Employment Relations (ER) through investigations within 90 days.
- One Annual Financial Statement (AFS) and three Interim Financial Statements (IFS) submitted within 30 days after each quarter.
- 100% reporting of all detected irregular and or unauthorised expenditure cases per financial year, to the Accounting Officer.
- 100% reporting of all detected Fruitless and Wasteful Expenditure cases per financial year, to the Accounting Officer.
- Reconfiguration of the Department including unbundling of the Unemployment Insurance Fund (UIF) and the Compensation Fund (CF) finalised. This includes giving the two Funds independent statuses.

2.3.1.1. Key Risks and Risk Mitigation

Table 9: Key risks and mitigation

OUTCOME	KEY RISKS	RISK MITIGATION
Strengthen the institutional capacity of the Department.	Delays in modernisation of ICT service to meet the required standards.	<ul style="list-style-type: none"> • Development and implementation of ICT detailed strategic plan. • Develop and implement the blueprint of the ICT infrastructure assessment recommendations. • Weekly monitoring project progress on milestones deliverables.

		<ul style="list-style-type: none"> • Reassess licence need, appoint licence auditor and negotiate surrendering of licences to SAP.
Strengthen the institutional capacity of the Department	Unavailability of systems/ Large scale interruption of digitally enabled services and economic activity.	<ul style="list-style-type: none"> • Limited hardware refresh projects. • Resource augmentation through contracting. • Temporary deployment of equipment for network service continuity. • Partial deployment of services to Cloud. • Interim network continuity and 3G routers. • Activation of Public Wi-Fi access. • Bandwidth increase to minimum 10 MBPS across all labour centres through the project plan.
Strengthen the institutional capacity of the Department	Information and physical security breaches (Viruses, ransomware, hacking, cyber-attacks, industrial espionage)	<ul style="list-style-type: none"> • Implementation of ICT security road map of security controls. • Procurement and implementation of cloud and collaboration security tools. • Ongoing service security awareness and training campaigns. • Penetration testing.

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

2.3.2. Programme 2: Inspection and Enforcement Services

The purpose of this programme is to realise decent work by regulating non-employment and employment conditions through inspection and enforcement, to achieve compliance with all labour market policies.

The budget allocation for this programme amounts to R661.2 million (R661 173 000) in the 2024/25 financial year. This represents a budget reduction of R18.1 million from the previous year's budget allocation.

Key performance indicators of IES programme:

- To inspect 298 104 employers in 2024/25 financial year to determine compliance with employment law.
- To serve 95% of non-compliant employers with notices in terms of relevant labour legislation within 14 calendar days of the inspection.
- To have 65% of non-compliant employers/workplaces/users received by Statutory Services settled out of court or CCMA or referred for prosecution within 30 calendar days.
- To conduct 4 seminars and 2 conferences in 2024/25 financial year to enhance awareness of employment law.

2.3.2.1. Provincial Breakdown of IES Targets

The target was broken down per province as follows:

Table 10: Provincial breakdown of IES targets

OFFICE	ANNUAL TARGET
Eastern Cape	31 884
Free State	26 628
Gauteng	61 236
KwaZulu-Natal	63 720
Limpopo	27 780

Mpumalanga	21 528
Northern Cape	12 528
North-West	19 680
Western Cape	32 724
Head Office	288
TOTAL	298 104

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

Table 11: Inspections per Legislation

	EC	FS	GP	KZN	LP	MP	NC	NW	WC	HO
EEA	300	216	924	636	300	300	216	216	216	
BCEA	19980	13404	36600	34836	16452	13224	6360	10920	17088	
OHSA	8808	10572	18708	24504	8592	5568	3624	6288	11904	288
ESA	1624	1624	3604	2344	1624	1624	1624	1444	2344	
COID	1172	812	1400	1400	812	812	812	812	1172	
TOTAL	31884	26628	61236	63720	27780	21528	12636	19680	32724	288

EE-Employment Equity Act; BCEA-Basic Conditions of Employment Act; OHS-Occupational Health and Safety Act; ESA-Employment Services Act ; and COIDA-Compensation for Occupational Injuries and Diseases Act.

2.3.2.2. Key Risks and Risk Mitigation

Table 12: Key risks and risks mitigation

OUTCOME	KEY RISK	RISK MITIGATION
Safe and healthy work environment.	Non-compliance by employers and users with labour legislation.	<ul style="list-style-type: none"> Leveraging on existing internal and external partnerships to ensure improvement in advocacy, inspection, and enforcement programmes. Capacity development of inspectors.

		<ul style="list-style-type: none"> • Effective mentoring and coaching of new inspectors. • Advocacy programs targeting problematic and high-risk sectors. • Targeted inspection programmes conducted at national and provincial level. • Refer non-compliant employers to the law enforcement institutions (CCMA and the courts). • Monitor compliance levels through the development of periodic analysis reports. • Enhance the structure of the Branch to be able to respond to the labour market demands. • Effective implementation of the IES SOP.
Protect vulnerable workers	Unreliable IES performance information	<ul style="list-style-type: none"> • Continue to effectively participate in the ICT structures, i.e. Management Committee (MANCO). • Steering Committee. • Maintain and monitor current controls.

		<ul style="list-style-type: none"> • Quality assurance structured at the national and provincial level convened periodically to evaluate the quality of performance information. • Monthly reports are submitted by provinces and quality assured and returned when necessary. • Effective implementation of the SOP. • Full utilisation of the case management system. • Training of super users and end users concerning the operations in the case management system. • Timely provisioning of tool of trade, i.e. laptops, cell phones.
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Source: Presentation to the PC on Employment and Labour dated 9 July 2024

2.3.3. Programme 3: Public Employment Services

The purpose of this programme is to provide assistance to companies and workers to adjust to changing labour market conditions.

The budget allocation for this programme amounts to R901.8 million (R901 785 000) in the 2024/25 financial year. This represents a budget reduction of R39.7 million from the previous year's budget allocation. PES transferred R510.3 million to its entities, which include the Compensation Fund (R12.5 million), Productivity SA (R61.5 million) and Supported Employment Enterprises (R184.7 million).

The CF, Productivity SA and SEE experienced budget transfers reductions of R6.9 million, R4.3 million and R19.9 million respectively.

The annual performance plan of this programme is as follows:

- To register 950 000 work-seekers per year on Employment Services of South Africa (ESSA).
- To register 115 000 employment opportunities per year on ESSA.
- To provide 260 000 registered work-seekers per year with employment counselling.
- To fill 65 000 registered employment opportunities with registered work-seekers per year.
- To conduct nine (one per province) Job or Career Fairs per year.
- A National Labour Migration Policy (NLMP) and Employment Services Amendment Bill (ESAB) finalised and approved for submission to Cabinet by the Minister.

2.3.3.1. Provincial Breakdown of work-seekers registered.

Table 13: Provincial breakdown of work-seekers registered

PROVINCE	ANNUAL TARGET
Eastern Cape	104 500
Free State	57 000
Gauteng	218 500
KwaZulu-Natal	142 500
Limpopo	57 000
Mpumalanga	66 500
Northern Cape	38 000
North-West	57 000
Western Cape	114 000
Head Office	95 000
TOTAL	950 000

Source: Presentation to the PC on Employment and Labour dated 9 July

2.3.3.2. Employment Opportunities registered per Province.

Table 13: Employment opportunities registered per Province

PROVINCE	ANNUAL TARGET
Eastern Cape	16 100
Free State	9 200
Gauteng	20 700
KwaZulu-Natal	18 400
Limpopo	12 650
Mpumalanga	9 200
Northern Cape	6 900
North-West	8 050
Western Cape	13 800
TOTAL	115 000

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

2.3.3.3. Counselling Provided to Registered Work-Seekers Per Province

Table 14: Counselling provided to registered work-seekers

PROVINCE	ANNUAL TARGET
Eastern Cape	33 020
Free State	22 698
Gauteng	53 638
KwaZulu-Natal	33 020
Limpopo	26 832
Mpumalanga	30 940
Northern Cape	14 456
North-West	20 644
Western Cape	24 752
TOTAL	260 000

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

2.3.3.4. Employment Opportunities filled per Province

Table 15: Employment opportunities filled per Province

PROVINCE	ANNUAL TARGET
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Eastern Cape	9 100
Free State	5 200
Gauteng	11 700
KwaZulu-Natal	10 400
Limpopo	7 150
Mpumalanga	5 200
Northern Cape	3 900
North-West	4 550
Western Cape	7 800
TOTAL	65 000

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

2.3.3.5. Key Risks and Risk Mitigation

Table 16: Key Risks and Risk Mitigation

OUTCOME	KEY RISK	RISK MITIGATION
Work-seekers placed in work and learning opportunities.	Insufficient placement of registered work-seekers in registered opportunities.	<ul style="list-style-type: none"> • DEL to participate in the Pathway Management Network announced by the President, UIF, other departments and entities, the private sector and NGOs in providing a range of work-seekers services. • Further developments on ESSA Online Service and the launch of the new ESSA functionality. • Draft National Employment Policy (NEP) stakeholder consultations conducted

		<p>after approval by Cabinet. Draft NEP revised to incorporate stakeholders and develop NEP implementation plan.</p> <ul style="list-style-type: none"> • National Labour Migration Policy (NLMP), Employment Services Amendment Bill (ESAB), and finalised and approved for submission to Cabinet by the Minister. • Provision of funding to entities assisting PES in employment promotion (GTAC, SEE, Productivity SA, CF, NGOs, and UIF)
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Source: Presentation to the PC on Employment and Labour dated 9 July 2024

2.3.4. Programme 4: Labour Policy and Industrial Relations

The purpose of this programme is to facilitate the establishment of an equitable and sound labour relations environment, support institutions that promote social dialogue and the promotion of South Africa's interests in international labour matters through research, analysis and evaluating labour policy, and providing statistical data on the labour market.

The budget allocation for this programme amounts to R1.26 billion (R1 262 191 000) in 2024/25 financial year. This is the largest programme budget allocation of the Department of Employment and Labour. However, this allocation represents a budget reduction of R143.6 million from the previous year budget.

LP & IR transferred R1.1 billion of its budget to its entities, which includes the CCMA (R1.0 billion) and Nedlac (R73.6 million). Transfers to the CCMA and Nedlac was reduced by R121.7 million and R8.4 million respectively.

Key performance indicators of LP & IR are as follows:

- Sector EE targets developed and consulted and concluded by 31 March 2025.
- Annual EE Reports and public register published per annum by 30 June 2024.
- Annual EE report and public register developed per annum by 31 March 2025.
- NMW reviewed and approved by the Minister of Employment Labour by 31 March each year.
- 100% of collective agreements where parties are not represented assessed and verified within 100 working days.
- 100% of collective agreements assessed and verified within 60 working days of receipt per annum.
- 100% of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum.
- Two reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually:
 - 1 annual implementation report by 30 April 2024
 - 1 mid-term implementation report by 31 October 2024
- Four annual labour market trend report produced by 31 March 2025
- Two research reports on the impact of labour legislation to labour market completed by 31 March 2025.

2.3.4.1. Key Risks and Risk Mitigation

Table 17: Risks and Risk Mitigation

OUTCOME	KEY RISK	RISK MITIGATION
Promote sound labour relations.	Inability to extend collective agreements to non-parties within 120 working days where parties are not representative; and within 60 working days	<ul style="list-style-type: none"> • Collective bargaining standard operating procedure in place. • MOU concluded with non-parties.

	where parties are representative.	<ul style="list-style-type: none"> Amendments to the Labour Relations Amendment Bill, Basic Conditions of Employment Amendment Bill and National Minimum Wage Act.
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Source: Presentation to the PC on Employment and Labour dated 9 July 2020

2.4. Supported Employment Enterprises (SEE)

Table 18: Planned targets of SEE

Output Indicator	Planned Targets	Q1	Q2	Q3	Q4
Number of additional persons with disabilities employed in the SEE factories by the end of March 2024	150 additional persons with disabilities employed in the SEE factories by the end of March 2024	25	75	100	150
% annual increase of sales revenue from goods and services by the end of March 2024.	10% annual increase of sales revenue from goods and services by the end of March 2024	-	-	-	10%
Number of customer agreements entered annually.	5 customer agreements entered by the end of March 2024	-	2	4	5

Source: Presentation to the PC on Employment and Labour dated 9 July 2024

Table 19: Budget of Supported Employment Enterprises

Description	Medium Term Expenditure Estimates		
	R'000		
	2024/25	2025/26	2026/27
Transfers/ Grant Allocation	184 686	195 545	206 997
Factory Employees' Salaries	132 502	139 127	146 083
Promotional and Marketing Costs	1 323	1 389	1 459

Market Research Costs	350	400	420
Administration Salaries	72 177	75 786	79 785
Administration Costs	112 844	118 486	124 410
Operating Surplus/ (Deficit)	134 510	139 643	145 160

Source: Presentation to the PF on Employment and Labour dated 9 July 2024

3. ENTITIES OF THE DEPARTMENT OF EMPLOYMENT AND LABOUR

The entities reporting to DEL are:

- 3.1. Productivity South Africa (PSA)
- 3.2. Commission for Conciliation Mediation and Arbitration (CCMA)
- 3.3. National Economic Development and Labour Council (NEDLAC)
- 3.4. Compensation Fund (CF)
- 3.5. Unemployment Insurance Fund (UIF)

4. COMMITTEE OBSERVATIONS

The Committee made the following observations:

4.1. Department of Employment and Labour and SEE

- The Quarterly Labour Force Survey reflects the unacceptably the high unemployment rate in the country.
- The budget of the Department decreased from R4.0 billion in 2023/24 to R3.9 billion in 2024/25 financial year. The total budget reduction of the Department amounted to R297.6 million.

The budget for Goods and Service decreased from R733.8 million in 2023/24 to R629.2 million in 2024/25 financial year. The budget reduction amounted to R111.6 million.

The budget for Transfers and Subsidies was reduced from R1.8 billion in 2023/24 to R1.6 billion in 2024/25 financial year. This budget item transfers funds to public institutions, including the CCMA and SEE.

The budget for Compensation of Employees increased from R1.4 billion in 2023/24 to R1.5 billion in 2024/25 financial year.

In terms of programmes, Programme 4 experienced the budget reduction of R39 7 million, and Programme 2 experienced the least reduction at R18.1 million. This programme is responsible for transferring funds to, among others, the CCMA.

LP&IR experience a budget reduction of R143.6 million and the budget reduction of the Administration programme was 96.2 million.

- The Department has experienced ICT challenges over the number of years and has spent large sums of money to address the problems, but the problems persists.
- The SEE is not benefiting from any source of preferential treatment from the State, despite the previous Committee recommendations. Its budget has been reduced from R187.2 million in 2023/24 to R184.7 million in 2024/25 financial year.
- Mpumalanga is the only province without a Supported Employment Enterprises factory in the country. There was a proposal to establish the SEE factory in Barberton. However, Barberton is on the outskirts of the province and therefore not easily accessible to most people of Mpumalanga.
- The Department wants to list the UIF and the CF as Schedule 3A entities in accordance with the PFMA.

5. COMMITTEE RECOMMENDATIONS

In view of the above observations, the Committee recommends that the Minister of Employment and Labour considers the following:

5.1 Department of Employment and Labour and SEE

- Ensuring that the initiatives of the Department are aligned to its expanded mandate of employment.
- The Department must work with National Treasury to ensure that SEE receive preferential procurement status from government departments.
- That people with disabilities that work for SEE are provided with transport to and from work.
- The Public Employment Services branch of the Department is restructured and repurposed for job creation, including interdepartmental and private sector activities.

- The process of establishing the SEE factory in Mpumalanga must be expedited without delay.
- Given the technological challenges that the Department has been experiencing over a number of years, it developed an ICT Strategy to address these challenges.
- The Department has come with the ICT strategy to address the
- The Department is invited to brief the Committee on its plans regarding the UIF and CF as stand-alone entities reporting to the Department.

The Department of Employment and Labour should report back to the Portfolio Committee on Employment and Labour on progress made with regards to the above-mentioned recommendations within one month after the report has been adopted in the National Assembly.

Report to be considered.

5. Report of the Portfolio Committee on Women, Youth and Persons with Disabilities on the Annual Performance Plan (Budget Vote 20) of the Department of Women, Youth and Persons with Disabilities for financial year 2024/25, dated 10 July 2024

The Portfolio Committee on Women, Youth and Persons with Disabilities, having considered the Annual Performance Plan and Budget of the Department in the Presidency for Women, Youth and Persons with Disabilities, the National Youth Development Agency and the Commission for Gender Equality 2024/25 2024 on the 10th July 2024, reports as follows:

1. Introduction

As per the Announcement, Tablings and Committees (ATC) No. 45 of 4 April 2024, the Department of Women, Youth and Persons with Disabilities tabled its Annual Performance Plan for 2024/25 for consideration and report. The National Youth Development Agency's (NYDA) Annual Performance Plan (APPs) 2024/25 was also tabled for consideration and report as per the ATC No. 45 of 4 April 2024. The 5 Year Strategic Plan and the Amended Annual Performance Plan of the Commission on Gender Equality for 2024/25 was tabled as per the ATC No. 54 on 17 April 2024.

The Portfolio Committee on Women, Youth and Persons with Disabilities, in performing its constitutional oversight mandate, engaged with the Department of Women, Youth and Persons with Disabilities (hereafter referred to as the Department), on its respective Annual Performance Plans for 2024/25 on 10 July 2024. This report considers all matters pertaining to the Department, and thereafter the CGE and NYDA insofar as the tabled documents are concerned.

2. Mandate and strategic objectives of the Department

The Department of Women, Youth and Persons with Disabilities was Gazetted on 26 June 2019 following the Presidential Announcement of the sixth administration. At that stage,

the Department was once again reconfigured and was charged with “taking the lead on socio-economic transformation and implementation of the empowerment and participation of women, youth and persons with disabilities through mainstreaming, advocacy, monitoring and evaluation.”¹ Subsequently, the mandate was changed to, “regulate the socio-economic transformation and implementation of the empowerment and participation of women, youth and persons with disabilities.”² The Department reverted back to the original mandate as per its Annual Performance Plan 2023/24 as follows, “Lead on socio-economic transformation and implementation of the empowerment and participation of women, youth and persons with disabilities through mainstreaming, advocacy, monitoring and evaluation.”³

(a) Vision

The Department indicated that its revised vision is “A transformed, inclusive society free from all forms of discrimination and capable of self- actualisation.”⁴

(b) Mission

The revised mission of the Department is “To provide strategic leadership, advocacy and coordination to government departments and the country on mainstreaming socioeconomic empowerment of women, youth and persons with disabilities”⁵

(c) Constitutional mandate

“The Department derives its mandate from the Constitution of the Republic of South Africa, in particular, section 9 (3) which states that “the state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth; and section 10

¹ Department of Women, Youth and Persons with Disabilities Strategic Plan 2020-2025, pg.10

² Department of Women, Youth and Persons with Disabilities (2024) Annual Performance Plan 2024/25, p.159

³ Ibid

⁴ Department of Women, Youth and Persons with Disabilities Annual (2024) Performance Plan 2024/25, p. 159

⁵ Ibid

states that “Everyone has inherent dignity and the right to have their dignity respected and protected.”

In order to give effect to its mandate, the Department will implement the following programmes as outlined in the APP of 2024/25:

- **Programme 1: Administration**, managed by three (3) sub-programmes – Departmental Management, Financial Management; Corporate Management and Office accommodation.
- **Programme 2: Mainstreaming Women’s Rights and Advocacy**, with four sub-programmes which are Management: Advocacy and Mainstreaming for the Rights of Women; Social Empowerment of Women (SEW); Economic Empowerment of Women (EEW) and the Commission for Gender Equality (CGE)
- **Programme 3: Monitoring, Evaluation, Research and Coordination** with four sub-programmes namely; Management: Monitoring, Evaluation, Research and Coordination; Research and Knowledge Management; International Relations, Stakeholder Management and Capacity Building and Monitoring and Evaluation: Women, Youth and Persons with Disabilities
- **Programme 4: Rights of Persons with Disabilities** with two sub-programmes namely; Management: Advocacy and Mainstreaming for Rights of Persons with Disabilities; Advocacy and Mainstreaming for the Rights of Persons with Disabilities;
- **Programme 5: Rights of Youth** with two sub-programmes namely and National Youth Development Agency Oversight.

3. Analysis of Budget for the Department of Women, Youth and Persons with Disabilities

The Department maintained that it would continue to focus on “addressing gender-based violence and supporting empowerment; promoting responsive planning, budgeting, monitoring and evaluation across government; supporting youth empowerment; and promoting the rights of people with disabilities” over the Medium Term Expenditure Framework (MTEF) period.⁶

⁶ Department of Women, Youth and Persons with Disabilities (2024) Annual Performance Plan 2024/25, p.1.

According to the APP 2024/25, it has been aligned with the policy priorities of the Medium Term Strategic Framework as follows;

MTSF Priority	Outcome	Outcome Indicator	Five-year Target
1, 5, 7 ⁷	Socio-Economic Empowerment of WYPD	Regulatory Framework for WYPD mainstreaming developed and implemented	Regulatory Framework for WYPD developed and implemented
	Rights of WYPD realised	Number of legislation developed	5 legislations developed
	Stakeholder	WYPD stakeholder framework developed and implemented	WYPD stakeholder framework developed and implemented
2 ⁸	Socio-Economic Empowerment - WYPD	WYPD Socio-Economic Empowerment Index Developed and monitored	WYPD Socio-Economic Empowerment Index developed and monitored

3.1 Overview of 2023/24 Financial Year (FY)

In reflecting on the budget allocation and expenditure for the Department for the 2023/24 financial year (FY), data was sourced from what was submitted to the Standing Committee on Appropriations 3rd quarter expenditure and what was presented to the Portfolio Committee on Women, Youth and Persons with Disabilities by the Department in March 2024. The following Table 1 provides a summary to illustrate the allocations and adjustments as at 31 March 2024. Table 2 that follows, reflects the original appropriation, adjusted appropriation and expenditure as at 31 March 2024.

⁷ Priority 1: A Capable, Ethical and Developmental State
Priority 5: Spatial Integration, Human Settlements and Local Government
Priority 7: A better Africa and World

⁸ Priority 2: Economic Transformation and Job Creation

Table 1: Allocation and Adjustments as at 31 March 2024

Programme	Budget R 'million			
	Allocation in February 2023	Adjustments	Available budget as at 31 March 2024	Expenditure at 31 March 2024
Programme 1: Administration	99.6	109.5	117.6	110.2
Programme 2: Mainstreaming Women's Rights & Advocacy	134.5	122.7	118.9	112.6
Programme 3: Monitoring, Evaluation, Research & Coordination	47.8	43.4	43.3	41.9
Programme 4: Mainstreaming Youth & Persons with Disabilities' Rights & Advocacy	764.5	731.3	727.1	727.0
TOTAL	R1 036.4 billion	R1 006.9 billion	R1 006.9 billion	R991.6 million

“According to the National Treasury 2023 Estimates of National Expenditure (ENE) released in February 2023, the Department under Vote 20, initially received an annual appropriation of R 1036.4 billion. Transfer payments are then done for two entities, namely the Commission for Gender Equality (CGE) and the National Youth Development Agency (NYDA). During the 2023/24 FY approximately R94.1 million was to be transferred to the CGE and approximately R733.3 million to the NYDA. This amounted to R827.4 million in turn leaving the Department with an operating budget R209 million.”⁹

⁹ Levendale, C (2024) Department of Women, Youth and Persons with Disabilities Overview of quarterly reports 2023/24, Parliamentary Research Unit, p. 7

As reflected in Table 1 above, as per the 4th quarter SCOA expenditure report by 31 March 2023 the Department had spent R991.6 million of its total budget thus resulting in an under spending of R15.3 million. All the programmes received decreased allocations during and after the adjustment process with the exception of the allocation to Programme 1 Administration which saw an increase from an original appropriation of R99.6 million to R109.5 million. Notwithstanding that, the Administration programme continued to present the largest expenditure as a percentage of the Department’s programme budget as well as the overall operating budget.

Table 2: Department over-and-underspending as at 31 March 2024¹⁰

Programme 1	Programme 2	Programme 3	Programme 4
The programme recorded underspending of R7.4 million against the approved adjusted budget. Underspending was on computer services of R8.3 million due to the second adjustment appropriation allocation. The underspending will be offset by R5.9 million overspending on travel and subsistence due to higher number of domestic and international trips.	The programme expenditure outcome was R112.6 million or 94.7 % of the R118.9 million available budget, which resulted in underspending against the approved appropriated allocation by R6.3 million. The variance was due to underspending on transfers to Commission for Gender Equality of R5 million from second adjustment appropriation and consultants: business and advisory services of R2 million and travel and subsistence of R2 million due to reprioritisation of funds to critical activities after the	The programme spending was R41.9 million or 96.7% of the available budget of R43.3 million, thus resulting in an underspending of R1.4 million. The programme underspending was driven by compensation of employees of R1.4 million due to vacant positions (DDG, Chief-Director, and Director) and consultants: business and advisory services of R4.1 million due to delays in commissioning of research. Venues and facilities underspent by R2.3 million against the budget due to most meetings being held virtually. However,	The programme expenditure outcome was R727 million or 100% against the available budget of R727.1 million, thus resulting in variance of R200 thousand. The underspending was recorded under consultants: business and advisory services due to reprioritisation of funds to critical activities after the implementation of budget reductions as well as venues facilities of due to conferences and meetings were held virtually and physically activities were minimised to implement 2023 cost containment measures.

¹⁰ Adapted table of Department of Women, Youth and Persons with Disabilities (2024) Presentation to the Portfolio Committee – Q1, Q2 and Q3 Status of Budget and Expenditure, 12 March 2024. And National Treasury (2024) 2023/24 Quarter 3 Spending Outcomes, Standing Committee on Appropriations, presentation by Dr M Modise (DDG) Public Finance 14 February 2024

Programme 1	Programme 2	Programme 3	Programme 4
	budget cuts and implementation of 2023 cost containment measures. The CGE transfer payment was corrected.	underspending was offset by overspending on travel and subsistence of R5.2 million and transport.	

3.2 Budget allocation 2024/25

Of the overall government budget of R2.37 trillion a total of R1 007.7 billion (0.09% - excludes direct charges against National Revenue Fund) is allocated to the Department of Women, Youth and Persons with Disabilities, the majority of which is transfer payments to entities.¹¹ According to the National Treasury 2024 Estimates of National Expenditure (ENE) released in February 2024, the Department under Vote 20, received an annual appropriation of R1.007 billion. However, it must be noted that the Department facilitates transfer payments to two entities, namely the Commission for Gender Equality (CGE) and the National Youth Development Agency (NYDA). During the 2024/25 financial year, the Department is expected to transfer R93.568 million to the CGE and R 704.310 million to the NYDA. This amounts to R797.878 (approximately R797.9 million) as reflected in Table 4 and 5 below. This means that the Department would be left with an actual operating budget of approximately R209.8 million to undertake its programmes and meet its targets for 2024/25. Before examining the key cost drivers, it is important to reflect on the budget changes year-on-year (2023/24 vs 2024/25) along with the breakdown of allocations per programme.

Table 3: Total appropriation including CGE and NYDA transfer payments¹²

¹¹ Research Unit, Social Equity Cluster, Parliament of Republic of South Africa (2024) 2024 Budget Highlights: Social Equity Cluster – Women, Youth and Persons with Disabilities and the Presidency, 2024 Budget Highlights.

¹² Levendale, C and Matthews, T (2024) Department of Women, Youth and Persons with Disabilities – Annual Performance Plan and Budget 2024/25, p.7.

Programme	Budget		Nominal rand increase / decrease in 2024/25	Real rand increase / decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	R million	2023/24				
Programme 1: Administration	109.5	114.4	4.9	- 0.2	4,47 %	-0,22 %
Programme 2: Mainstreaming Women's Rights & Advocacy	122.7	124.3	1,6	-4,0	1,30%	-3,24%
Programme 3: Monitoring, Evaluation, Research & Coordination	43.4	38.6	-4,8	-6,5	-11,06%	-15,05%
Programme 4: Rights of Persons with Disabilities	16.2	14.5	-1,7	-2,4	-10,49%	-14,51%
Programme 5: Rights of Youth	715.1	715.9	0,8	-31,3	0,11%	-4,38%
TOTAL	1 006.9	1 007.7	0,8	044,4	0,08%	-4,41%

Table 3 reflects the total budget allocation, including the transfer payments to the CGE and NYDA. In addition, the table points to a marginal nominal increase to the Department's budget of approximately R800 000 (0,08%). While a decrease in the allocation for Programme 1: Administration is evident, it must also be noted that historically virements have been made during the financial year to off-set expenditure and/or over-expenditure in this programme. The following table will illustrate the nominal and real rand changes to the Department's budget excluding the transfer payments to the CGE and NYDA. This in essence provides an accurate assessment of the Department's operational budget year-on-year.

Table 4: Appropriation excluding CGE and NYDA transfer payments – operational budget

Programme	Budget		Nominal rand increase / decrease in 2024/25	Real rand increase / decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	2023/24	2024/25				
R million	2023/24	2024/25	2023/24-2024/25		2023/24-2024/25	
1: Admin.	109.5	114.4	4.9	-0.2	4.47 %	-0.22 %
2: MRW	27.4	30.7	3.3	1.9	12.00%	6.97%
3: MERC	43.4	38.6	-4.8	-6.5	-11.06%	-15.05%
4: RPD	16.2	14.5	-1.7	-2.4	-10.49%	-14.51%
5: RY	12.0	11.6	-0.5	-1.0	-4.13%	-8.44%
TOTAL	208.5	209.8	1.2	-8.2	0.57 %	-3.94%

Table 4 reflects a R8.2 million decrease in the real rand change when removing the CGE and NYDA transfer payments from the allocation. Hence the Department will have R8.2 million less to spend on meeting its targets for the 2024/25 FY. Furthermore, there are no significant increases to the core programmes (Programmes 2, 3, 4 and 5). Notwithstanding that, the largest real rand decreases Programme 3 and Programme 4 of R6.5 million and R2.4 million respectively. Given the Department's historic challenges in terms of research, monitoring and evaluation capacity the decrease in Programme 3 is concerning. Overall, the total operational budget of the Department has not seen a significant increase year-on-year. Moreover, the Administration programme sees a minimal real rand decrease of R200 000 but despite this the Portfolio Committee remained concerned with the allocations to this programme thought the 6th Parliament. It must be noted that Programme 1 receives nearly 55% of the operational budget.¹³

Table 5: Department of Women, Youth and Persons with Disabilities Budget Summary¹⁴

Programmes	Adjusted Appropriation	Medium-Term Estimates	
	2024/25	2025/26	2026/27
1. Administration	114 381	118 402	124 207

¹³ Ibid

¹⁴ National Treasury (2024) Vote 20 Department of Women, Youth and Persons with Disabilities, Estimates of National Expenditure

Programmes	Adjusted Appropriation	Medium-Term Estimates	
	2024/25	2025/26	2026/27
2. Mainstreaming for the Rights of Women	124 308	130 123	128 183
3. Monitoring, Evaluation, Research and Coordination	38 646	36 766	42 477
4. Rights of Persons with Disabilities	14 509	13 636	18 121
5. Rights of Youth	715 868	486 479	508 700
Total Programmes	1 007 712	785 406	821 688
Economic classification			
Current Payments	202 711	206 851	216 968
Compensation of Employees	132 478	138 290	144 627
Goods and services	70 233	68 561	72 341
Transfers and subsidies	799 981	574 398	600 372
Payments for capital assets	5 020	4 157	4 348
Total economic classification	1 007 712	785 406	821 688

Of the R1 007 712 billion, R132.478 million (63.1%) of the Department's operating budget (R209.8 million) is allocated to Compensation of Employees, R70.233 million (23.4%) to Goods and Services, R5.020 million (2.3%) to Payments for Capital Assets and R1.8 million (0.8%) Transfers to international organisations. The key cost drivers under Goods and Services for the Department is as follows:

- Consultants: R21.051 million
- Venues & facilities: R12.783 million
- Property Payments: R8.939 million
- Travel & Subsistence: R6.511 million
- Computer services: R4.896 million
- External Audit Costs: R4.627 million

These key cost drivers consume R58.5 million or 83.7% of the Goods and Services budget (R70.2 million).

The next section provides a more in-depth analysis of the budgetary allocation per programme for the Department and a reflection of the targets.

3.3 Overview of Programmes for Department

3.3.1 Programme 1: Administration

The purpose of this programme is to provide strategic leadership, management and support services to the department. This programme is comprised of five sub-programmes namely;

- **Ministry:** Provide executive support to political principals.
- **Departmental Management:** Provide executive support, strategic leadership and management of the Department.
- **Corporate Management:** Provide effective human capital management, legal support, security and work environment management and ICT systems for the Department.
- **Financial Management:** Provide and ensure effective, efficient financial management and supply chain services. This included budget planning and expenditure monitoring; and the management of procurement, acquisition, logistics, asset, and financial transactions.
- **Office Accommodation**

The total allocation for this programme is R114.381 million which constitutes 54.4% of the Department's operational budget. As stated previously, this programme sees a nominal increase of R4.9 million and a real rand decrease of R200 000. Table 6 outlines the expenditure under Programme 1 per sub-programme.¹⁵

Table 6: Sub-programme allocations for 2023/24 vs 2024/25¹⁶

Sub-Programme	2023/24 (R'million)	2024/25 (R'million)
Ministry	R20.886	R27.067m
Departmental Management	R20.254	R20.140m
Corporate Services	R29.788	R34.272m
Financial Management	R22.024	R23.984m
Office Accommodation	R8.573	R8.918m
TOTAL	R101.525	R114.383 million
Compensation of employees	R65.009 (64.0%)	R72.286m (63.2%)

¹⁵ Levendale, C and Matthews, T (2024) Department of Women, Youth and Persons with Disabilities - Annual Performance Plan and Budget 2024/25, Parliament Research Unit

¹⁶ Ibid, p.11

Goods and services	R32.674 (32.1%)	R37.039m (32.3%)
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Even though the budget of the Administration Programme has decreased, it still consumes the highest proportion of funds and staff in the Department. To this end, the proportion of spending on Compensation of Employees has also increased year-on-year from R65.009 million (2023/24) to R72.286 million (2024/25).

The key cost drivers as per the APP 2024/25 are as follows:

- Compensation of Employees (R72.286 million) which constitutes 63.2% of the overall allocation for this programme.
- Good and services (R37.039 million) which constitutes 32.3% of the overall allocation for this programme.

As per the ENE 2024, the main cost drivers for Good and services are as follows:

- Consultants: Business and advisory services R21.1 million
- Venue and facilities R12.8 million
- Property payment R8.9 million
- Travel and Subsistence: R6.5 million
- Computer services: R4.9 million
- Audit costs: External R4.6 million

This programme has a staff compliment comprising of 77 posts and is earmarked to achieve 8 targets as per the APP (p. 69). Most of the targets are compliance related as listed below.

- i. Unqualified Audit opinion on predetermined objectives and compliance matters
- ii. 4 Business Continuity Risk monitoring reports produced
- iii. 100% payment of all valid invoices within 30 days
- iv. Unqualified Audit opinion on Annual Financial Statements
- v. 40% procurement spend on entities owned by women; 30% procurement spend on entities owned by youth; 7% procurement spend on entities owned by persons with disabilities
- vi. Maintain a vacancy rate of less than 10% annually

- vii. 2 progress reports on implementation of Human Resource Plan produced
- viii. 5.3% representation of employees with disabilities*

*new target

Overall, the targets for Programme 1 have remained fairly similar between 2023/24 and 2024/25 except for one new target that was introduced as noted above.

With respect to posts for this programme, the ENE stipulated 85 posts at a cost of R72.3 million for the 2024/25 FY. The difference in the number of posts in the ENE versus that of the APP for the Department should be clarified.

3.3.2 Programme 2: Advocacy and Mainstreaming the Rights of Women

The purpose of this programme is to promote good governance regarding the rights and transformation of the social and economic empowerment of women. This programme consists of four sub-programmes namely;

- **Management: Advocacy and Mainstreaming for the Rights of Women:** Provides strategic leadership and management to the programme.
- **Social Empowerment of Women (SEW):** Promote good governance regarding the rights, transformation, social justice and empowerment of women.
- **Economic Empowerment of Women (EEW):** Mainstreams and promotes good governance regarding the rights, transformation, economic justice and empowerment of women.
- **Commission for Gender Equality (CGE):** Facilitates transfer payments to the Commission for Gender Equality, which promotes gender equality and respect for women's rights

Expenditure under Programme 2 is allocated as follows:

Table 7: Sub-programme allocation for 2023/24 vs 2024/25 in Programme 2¹⁷

¹⁷Levendale, C and Matthews, T (2024) Department of Women, Youth and Persons with Disabilities - Annual Performance Plan and Budget 2024/25, Parliament Research Unit, p. 13

Sub-Programme	2023/24 R' million	2024/25 R'million
Management: Advocacy and Mainstreaming for the Rights of Women	R3.701	R3.955
Social Empowerment of Women	R16.122	R18.381
Economic Empowerment of Women	R7.587	R8.404
TOTAL	R27.410	R30.740
Compensation of Employees	R19.844 (72.3%)	R16.716 (54.3%)
Goods and services	R7.566 (27.6%)	R14.024 (45.6%)

The total programme allocation is R124.308 million which is inclusive of the transfer payment of R93.568 million to the Commission for Gender Equality (CGE), leaving the programme with an operating budget of R30.740 million. On closer examination, this programme's operating budget stagnated on R27.410 million in 2023/24 and in 2024/25. However, the Real Rand change was a R1.9 million decrease (6.97% decrease) as noted in Table 4 previously.¹⁸

From the operating budget of R30.740 million, R16,716 million (54.4%) is for Compensation of Employees and R14.024 million (45.6%) will go towards Goods and services. This programme consumes % of the Department's operational budget. The main cost driver under Goods and services is Consultants: Business and advisory services at R9 million (29.3% of G&S allocation) as per the Estimates of National Expenditure 2024. This is an increase from the previous financial year 2023/24 when R2.1 million was allocated. In addition, the other key cost drivers under Goods and Services are as follows:

- Venue and Facilities, R3 million (9.8% of G&S allocation) and
- Travel and subsistence, R1.5 million (4.9% of G&S allocation).

According to the ENE, this programme has 17 posts at a cost of R16.7 million. As per the APP, this is earmarked to achieve 9 annual targets for the current 2024/25 FY as listed below:

¹⁸ Ibid

- i. 4 interventions to support economic empowerment, participation and ownership for WYPD implemented
- ii. 1 Progress report on the implementation of Strategy for WYPD produced
- iii. 1 Progress report produced on the implementation of WYPD Socio-Economic Empowerment Index
- iv. 4 Interventions to support social empowerment and participation of women, youth and persons with disabilities monitored
- v. 12 National Departments monitored on the implementation of NSP on GBVF
- vi. 9 Provincial Department and 9 municipalities plans monitored for integration of NSP on GBVF
- vii. 6 Capacity building and training support provided to established GBVF Rapid Response Teams in provinces
- viii. 2 Monitoring reports on implementation of Comprehensive National GBVF Prevention Strategy
- ix. 2 National Gender Machinery meetings convened

This programme has remained largely the same since the previous FY 2023/24 APP except for the following targets;

- 4 progress reports on implementation of the Sanitary Dignity Implementation Framework by provinces produced
- 4 progress reports on implementation of Women's Economic Assembly (WECONA) Provincial Roll-out developed

It is unclear whether these targets were discontinued or amended. The SDP is a key component for the Department's strategic plan deliverables which includes the implementation of the Sanitary Dignity Implementation Framework (SDIF). The Department lists several monitoring activities it has planned to ensure the SDIF imperatives are achieved for e.g. management of menstruation in a safe, knowledgeable and dignified manner. With respect to WECONA, whilst the Department notes several activities in its APP, there is no dedicated target related to this initiative. Hence it is unclear how human and financial resources will be allocated in this regard if there is no target specified.

3.3.3 Programme 3: Monitoring, Evaluation, Research and Coordination

The purpose of this programme is to provide research, knowledge management, international relations, stakeholder management and monitoring and evaluation for women, youth and persons with disabilities. It comprises of four Sub-Programmes namely;

- **Management:** Monitoring, Evaluation, Research and Coordination: Provides strategic leadership and management to the programme.
- **Research and Knowledge Management:** To provide research and knowledge management services on transformation on rights of women, youth.
- **International Relations, Stakeholder Management and Capacity Building:** Manage and coordinates the provision of international relations, stakeholder participation and capacity building for women, young people and persons with disabilities.
- **Monitoring and Evaluation: Women, Youth and Persons with Disabilities:** To ensure effective government-wide monitoring and evaluation of policy priorities towards the transformation and empowerment of women, youth and persons with disabilities.

The total allocation for this programme is R38.646 million which constitutes 18.3% of the Department's operational budget. This allocation is R4.8 million less than in the 2023/24 financial year which is the nominal rand value. However, when taking into consideration the Real Rand change, this programme only sees a decrease of 15.05% to its allocation which amounts to R6.5 million. The table below outlines the expenditure under Programme 3 as follows:

Table 8: Sub-programme allocation for 2024/25 in Programme 3¹⁹

Sub-Programme	2023/24 R'million	2024/25 R'million
Management: Monitoring, Evaluation, Research & Coordination	3.194	3.528
Research & Knowledge management	8.281	8.050

¹⁹ Levendale, C and Matthews, T (2024) Department of Women, Youth and Persons with Disabilities - Annual Performance Plan and Budget 2024/25, Parliament Research Unit, p.15

International Relations, Stakeholder Management & Capacity Building	21.283	18.805
Monitoring and Evaluation: WYPD	10.666	8.263
TOTAL	R43.424	R38.646
Compensation of Employees	R26.998 (62.1%)	R24.783 (64.1%)
Goods and Services	R14.636 (33.7%)	R11.993 (31.0%)

The programme has a total allocation of R38.646 million, of which R24.783 million (64.1%) is allocated for Compensation of employees and R11.993 million (31.0%) is allocated for Goods and services. Of the Goods and services budget, R3.5 million or nearly 29.2% is allocated for Consultants as per the Estimates of National Expenditure for 2024. The other main costs drivers other are as follows:

- Travel and subsistence – R600 000
- Venue and facilities – R7.2 million

According to the ENE, this programme has 25 posts at a cost of R24.8 million for the 2024/25 FY. As per the APP, this programme is earmarked to achieve 8 annual targets for the current FY as listed below:

- i. 1 Research report on government priorities focusing on women, youth and persons with disabilities produced
- ii. 2 reports on compliance of government commitments with international and regional commitments of women produced
- iii. 10 national departments implementing Gender Responsive Planning Budgeting Monitoring Evaluation and Auditing Framework (GRPBMEAF)
- iv. 1 monitoring report on the empowerment of women, youth and persons with disabilities produced
- v. 1 evaluation conducted on empowerment of WYPD
- vi. 4 status reports on the implementation of the WYPD International Relations Strategy developed
- vii. 12 Stakeholder engagements conducted
- viii. 4 community mobilisation initiatives coordinated

This programme had removed the following targets as per the APP of 2023/24.

- 2 Progress reports on the phase 2 piloting of the Integrated Knowledge Hub developed

The Department indicated that the target has been temporarily removed from the APP due to financial and human constraints.

3.3.4 Programme 4: Rights of Persons with Disabilities

The purpose of Programme 4 is to advocate for mainstreaming of the rights of persons with disabilities with two sub-programmes as follows:

- **Management:** Advocacy and Mainstreaming for the Rights of Persons with Disabilities. The purpose of the sub-programme is to advocate and mainstream for the transformation and empowerment of persons with disabilities.
- **Advocacy and Mainstreaming for the Rights of Persons with Disabilities:** The purpose of this programme is monitoring, evaluation, reporting research and coordination mechanism which sets the agenda to all spheres of Government on disability priorities.

The total allocation for this programme is R14.5 million which is 6.9% of the operational budget. The allocation for this programme is R1.7 million less than in the 2023/24 financial year.²⁰ However, when taking into consideration the Real Rand change, this programme only sees a decrease of 14.51% to its allocation which amounts to R2.4 million.²¹ The expenditure under Programme 4 is allocated as follows:

Table 9: Programme 4 expenditure trends by sub-programme²²

Sub-programme	2023/24 (R'million)	2024/25 (R'million)
Management: Advocacy & Mainstreaming for the Rights of Persons with Disabilities	477 000	545 000
Advocacy & Mainstreaming for the Rights of Persons with Disabilities	15.731	13.964

²⁰ Levendale, C and Matthews, T (2024) Department of Women, Youth and Persons with Disabilities - Annual Performance Plan and Budget 2024/25, Parliament Research Unit.

²¹ Ibid

²² Levendale, C and Matthews, T (2024) Department of Women, Youth and Persons with Disabilities - Annual Performance Plan and Budget 2024/25, Parliament Research Unit, p.17

Sub-programme	2023/24 (R'million)	2024/25 (R'million)
Total	R16.208	R14.509m
Compensation of Employees	R10.611 (65.4%)	R10.240m (70.5%)
Goods and Services	R5.408 (33.3%)	R4.072m (28.0%)

Of the R14.509 million, 70.5% (R10.240 million) of the budget is allocated to Compensation of Employees and R4.072 million to Goods and Services (28% of budget). As per the Estimates of National Expenditure for 2024, the main costs drivers under Goods and services are for the following:

- Travel and Subsistence, R700 000 (17.2%)
- Consultants: Business and advisory services, R million (34.4%) and
- Venue and facilities for R700 000 (17.2%).

According to the ENE, this programme has 12 posts at a cost of R14.5 million for the 2024/25 FY. As per the APP, this programme is earmarked to achieve 7 annual targets for the current FY as listed below:

- i. 6 advocacy manuals on Disabilities developed
- ii. Draft Disability Advocacy and Mainstreaming Strategy submitted to Minister/DG for approval
- iii. 2 RPD machinery meetings convened
- iv. 1 Annual progress report on the implementation of the White Paper on the rights of persons with disabilities developed
- v. 1 disability inclusion analysis report on draft Annual Performance Plans of national government department produced
- vi. 1 Research report on the impact of climate change on person with disabilities and their inclusion in climate action, mitigation and adaptation strategies produced
- vii. 1 country report on the United Nations Convention on the Rights of Persons with Disabilities developed

3.3.5 Programme 5: Rights of Youth

The purpose of Programme 5 is to advocate for mainstreaming the rights of youth. This programme is comprised of 3 sub-programmes namely;

- **Management: Advocacy and Mainstreaming Rights of Youth:** advocate and mainstream for the transformation and empowerment of youth.
- **Advocacy and Mainstreaming for the Rights of Youth:** advocate and mainstream for the rights of youth.
- **National Youth Development Agency:** Oversees the transfer payment to the National Youth Development Agency.

The total allocation for this programme is R715.9 million which is inclusive of the transfer to the NYDA of R704.3 million. Its operational budget is R11.6 million (less the NYDA transfer) which constitutes 5.5% of the Department's operational budget - also the smallest allocation. When examining this programme's operating budget, the allocation for this programme is R500 000 less than in the 2023/24 financial year.²³ However, when taking into consideration the Real Rand change, this programme sees a decrease of 8.44% to its allocation which amounts to R1 million.²⁴ The expenditure under Programme 5 is allocated as follows:

Table 9: Programme 5 expenditure trends by sub-programme²⁵

Sub-programme	2023/24 (R'million)	2024/25 (R'million)
Management: Advocacy & Mainstreaming for the Rights of Youth	0	619 000
Advocacy & Mainstreaming for the Rights of Youth	12.038	10.939
Total	R12.038	R11.558m
Compensation of Employees	R7.6 (63.1%)	R8.5m (73.5%)
Goods and Services	R4.4 (36.6%)	R3.1m (26.8%)

Of the R11.558 million, 73.5% (R8.5 million) of the budget is allocated to Compensation of Employees and R3.1 million to Goods and Services (26.8% of budget). As per the

²³ Levendale, C and Matthews, T (2024) Department of Women, Youth and Persons with Disabilities - Annual Performance Plan and Budget 2024/25, Parliament Research Unit

²⁴ Ibid

²⁵ Levendale, C and Matthews, T (2024) Department of Women, Youth and Persons with Disabilities - Annual Performance Plan and Budget 2024/25, Parliament Research Unit, p.19

Estimates of National Expenditure for 2024, the main costs drivers under Goods and services are for the following:

- Travel and Subsistence, R1.2 million (38.7%)
- Consultants: Business and advisory services, R 100 000 (3.2%) and
- Venue and facilities for R1.6 million (51.6%).

According to the ENE, this programme has 9 posts at a cost of R8.5 million for the 2024/25 FY. As per the APP, this programme is earmarked to achieve 7 annual targets for the current FY as listed below:

- i. 2 SANDF led National Youth Service (NYS) Programme implemented
- ii. 5 Farming projects established
- iii. 3 Bakery training centres established
- iv. 4 NYP implementation monitoring reports produced
- v. South African Youth Development Bill processed to be tabled in Cabinet
- vi. 4 NYDA quarterly monitoring reports produced
- vii. 4 National Youth machineries meetings convened

4. National Youth Development Agency (NYDA)

4.1 Mandate of the NYDA

The NYDA derives its mandate from legislative frameworks such as the NYDA Act (54 of 2008), the National Youth Policy (2009-2014) and the Integrated Youth Development Strategy. Section 3 of the Act mandates the Agency to develop policy and an “Integrated Youth Development Strategy”. The Act further mandates the NYDA to “initiate, design, coordinate, evaluate and monitor all programmes aimed at integrating the youth into the economy and society, guide efforts and facilitate economic participation and empowerment, and the achievement of education and training”.

The role of the NYDA is thus to:

- Lobby and advocate for integration and mainstreaming of youth development programmes in all spheres of government, the private sector and civil society.

- Initiate, implement, facilitate and coordinate youth development programmes.
- Monitor and evaluate youth development interventions across the board and mobilise youth to actively participate in civil society engagements.²⁶

The NYDA values are underpinned by Accountability, Accessibility, Respect, Collaborative, Agility and Integrity. The NYDA's vision is a credible, capable and activist development agency that is responsive to the plight of South Africa's youth. Its mission is to mainstream youth issues into society through stakeholder coordination; and to facilitate and champion youth development with all sectors of society.

As per the Revised Strategic Plan (2020-2025) and APP 2022/23, the NYDA has now three programmes namely:

- **Programme 1: Administration** - The purpose of this programme is to enable effective and efficient capabilities for service delivery and supporting functions.
- **Programme 2: Operations** (includes: economic development through youth entrepreneurship, Jobs programme, and National Youth Service) The purpose of the programme is to enhance the participation of young people in the economy through targeted and integrated economic programmes, including skills and education programmes, and national youth services.
- **Programme 3: Integrated Youth Development** - The purpose focuses on fostering a mainstreamed, evidence based, integrated and result oriented youth development.

4.2 Analysis of Budget of the NYDA for 2024/25

According to the National Treasury 2024 Estimates of National Expenditure (ENE), over the medium term, the NYDA will continue to:²⁷

- “Focus on implementing interventions to support skills development, entrepreneurship and the creation of employment for young people. These include

²⁶ National Youth Development Agency (2024) Annual Performance Plan 2024/25

²⁷ National Treasury (2024) Estimates of National Expenditure 2024. Vote 20, Department of Women, Youth and Persons with Disabilities

providing financial and non-financial enterprise support and placing young people into jobs.

- Financial support will be provided through grants to youth-owned enterprises, while non-financial support will include the provision of business support services, market access and relevant skills needed to ensure that young people gain the most effective entrepreneurial applications within and across economic value chains.
- Provide financial support and business development interventions to 9 000 enterprises owned by young people to benefit more than 90 000 young people through creating job opportunities. An amount of R1 billion is allocated to carry out this intervention, accounting for an estimated 58.4 per cent of the agency’s total projected expenditure over the period ahead. An additional R179.2 million is allocated to provide more than 120 000 young people with skills to enter the job market and find decent and sustainable employment opportunities.
- The national youth service programme is allocated R309.6 million over the MTEF period for the implementation of the presidential youth employment initiative. This includes an additional allocation of R250 million in 2024/25.”²⁸

The ENE 2024 also states that the NYDA “expects to derive 85.9 per cent (R1.7 billion) of its revenue over the medium term through transfers from the department and the remainder through funds sourced from other public and private sector organisations.” Table 10 below outlines the NYDA’s budget per programmes as as per the APP 2024/25 and the ENE 2024. It is important to note that the amounts allocated per programme within the APP 2024/25 differs to what is outlines in the ENE 2024. For the National Youth Service (NYS) programme, the variation is marginal. However, for the programme on Decent and sustainable employment through jobs, the amount variation is significant.²⁹

²⁸ Ibid, 415-416

²⁹ Matthews, T (2024) National Youth development Agency (NYDA) Annual Performance Plan 2024/25 and Budget 2024/25, 5 July 2024.

Table 10: Programmatic Breakdown³⁰

PROGRAMME	2024/2025 (As per the APP 2024/2025)	2024/2025 (As per National Treasury ENE)
Administration	135 940 000	120 400 000
Economic development through youth entrepreneurship	315 192 000	354 400 000
Decent and sustainable employment through jobs programme	99 561 000	35 500 000
National Youth Service	269 111 000	269 100 000
Integrated Youth Development	13 047 000	12 000 000
Total	R829 505 000	R791 300 000

As per the ENE 2024 (p.416), the total allocation is R791.3 million which includes transfer payments, donor funding and roll-over funds. It should be noted that there was a 4.8% decrease compared to the previous FY 2023/24.³¹

Spending on Compensation of Employees (CoE) is expected to increase from R218 million in 2023/24 to R224.7 million in 2024/25 for 471 employees. CoE accounts for an estimated 28% of the NYDA's total expenditure for the current FY 2024/25. The majority (371) of the employees forming part of the 7-10 salary level.6 Posts increased by 1 in 2024/25 – from 270 in 2023/24 to 271. There was an increase of 3% cent in COE expenditure in 2024/25.

Goods and services accounts for 72% (R561.2 million) of the NYDA's total budget.

The table below outlines the expenditure per programme as per the ENE 2024.

³⁰ Ibid

³¹ Matthews, T (2024) National Youth Development Agency (NYDA) Annual Performance Plan 2024/25 and Budget 2024/25, Parliamentary Research Unit, 5 July 2024

Table 11: Budget allocations as per the 2024 National Treasury Estimates of National Expenditure³²

Programme	Budget				Nominal Rand Change	Real Rand Change	Nominal % change	Real % change
	2023/24	2024/25	2025/26	2026/27	2023/24-2024/25	2023/24-2024/25	2023/24-2024/25	2023/24-2024/25
Rmillion								
Administration	139.9	120.4	116.4	117.3	-19.5	-24.9	-13.94%	-17.8%
Econ. Dev. Through youth entrepreneurship	371.6	354.4	348.0	366.8	-17.2	-33.1	-4.63%	-8.91%
Decent and sustainable employment through jobs	13.3	35.5	69.9	73.8	15.5	13.9	77.50%	69.53%
Integrated Youth Development	14.2	12.0	12.5	12.9	-2.2	-2.7	-15.49%	-19.29%
National Youth Service	292.2	269.1	20.0	20.5	-23.1	-35.2	-7.91%	-12.04%
Total	837.9	791.3	566.8	591.3	-46.5	-82.0	-5.55%	-9.79

Based on the aforementioned table, the Economic Development through youth entrepreneurship followed by the NYS programme consumes the first and the second largest portion of the NYDA' total allocation for 2024/25. Furthermore, the Administration programme, Economic development; Integrated Youth Development (IYD) and the National Youth Service (NYS) all saw a decrease in the nominal and real rand change between the previous and current FY. Only Decent and sustainable employment through jobs saw and nominal increase of R15.5 million and the real rand change of R13.9 million.

“An estimated 76.4% (R1.9 billion) of the Department for Women, Youth and Persons with Disabilities' budget over the medium term is earmarked for transfers and subsidies to the National Youth Development Agency and the Commission for Gender Equality. Total expenditure is expected to decrease at an average rate of 6.6 per cent, from R1 billion in 2023/24 to R821.7 million in 2026/27. This is mainly because of Cabinet-approved reductions to the Department's budget amounting to R212.7 million over the MTEF period.”³³

³² Matthews, T (2024) National Youth Development Agency (NYDA) Annual Performance Plan 2024/25 and Budget 2024/25, Parliamentary Research Unit, p. 5

³³ Matthews, T (2024) National Youth Development Agency (NYDA) Annual Performance Plan 2024/25 and Budget 2024/25, Parliamentary Research Unit, p.7

“The NYDA is set to receive an additional allocation of R250 million in 2024/25 for the continuation of the Presidential Youth Employment Initiative’s National Youth Service (NYS) programme.”³⁴ As highlighted in Table 11 above, 2024/25 will be the last year the NYDA will receive this additional allocation to the NYS programme.

In terms of the APP 2024/25, the programme allocation is noted as follows:³⁵

- **Programme 1: Administration** was allocated R120.366 million of which R58.804 million was earmarked for Compensation of Employees (COE) and R61.562 million to Goods and Services (G&S).
- **Programme 2: Operations** Sub-programme 1 was allocated R354.403 million of which R145.775 million was earmarked for COE and G&S R208.628 million. Sub-programme 2 was allocated R35.470 million of which R6.279 million was earmarked for COE and R29.191 million for G&S. Sub-programme 2 was allocated R269.111 million of which R8.062 million was allocated for COE and R261.049 million was allocated for G&S.
- **Programme 3: Integrated Youth Development** was allocated R11.986 million all of which R5.778 million was earmarked for COE and R6.208 million for G&S.

4.3 Programme analysis for NYDA for 2024/25

According to the NYDA’s APP 2024/25, its programmes are linked to the following Medium-Term Strategic Framework (MTSF) outcomes namely;

- Decent employment through inclusive economic growth and nation building and social cohesion;
- Economic Development, Skills Development, and Education Programmes, aligned with employment and job creation; and
- the National Youth Service Programme, aligned to Skills Development, Social Cohesion and Nation building.³⁶

³⁴ Ibid

³⁵ National Youth Development Agency (2024) Annual Performance Plan 2024/25

³⁶ National Youth Development Agency (2024) Annual Performance Plan 2024/25, p.3

For the current FY, the NYDA has earmarked to achieve 28 targets across three programmes as outlined below.

4.3.1 Programme 1: Administration

The overall outcome for this programme is an efficient and effective capabilities for service delivery and supporting functions. This programme has a total of 14 targets as listed below.

- i. 4 NYDA quarterly management reports produced
- ii. R300 million – value of funds sourced from the public and private sector to support youth development programmes
- iii. 5 SETA partnerships established
- iv. 4 partnerships signed with technology companies
- v. Review and implement ICT strategic Plan, 95% achievement of ICT targets in the plan by the end of the FY
- vi. Implement 100% Integrated Communication and Marketing Strategy
- vii. Produced and approved NYDA Strategic Risk Register
- viii. Percentage preferential procurement spend on enterprises that are Youth owned: (35% youth owned, 45% women owned and 5% persons with disability)
- ix. Implement 100% of the organisational culture strategy
- x. Implement customer service plan indicating 100% achievement
- xi. 10 partnerships established with companies listed on the JSE
- xii. 10 Intergovernmental relation activities facilitated
- xiii. 15 Youth month outreach events implemented
- xiv. 2 Youth innovation initiatives facilitated

4.3.2 Programme 2: Operations

The purpose of the programme is to enhance the participation of young people in the economy through targeted and integrated economic programmes, including skills and education programmes, and national youth services.

This programme is comprised of three sub-programmes namely;

- Sub-programme 1: Economic Development through Youth Entrepreneurship – the purpose of which is facilitating and providing business development services to young people and to enhance their socio-economic well-being.
- Sub-programme 2: Decent and Sustainable Employment through Jobs Programme – the purpose of which is to facilitate and provide employment opportunities for young people, geared at increasing sustainable livelihoods.
- Sub-programme 3: National Youth Service – the purpose of which is to facilitate and co-ordinate the effective and efficient implementation of the National Youth Service Programmes across all sectors of society.

This programme has a total of 10 Annual targets as listed below per sub-programme:

Sub-programme 1

- i. Number of youth and youth owned enterprises supported with financial interventions
- ii. Number of youth supported with non-financial business development interventions
- iii. Number of jobs created and sustained through supporting entrepreneurs and enterprises
- iv. Number of Business Development Support Services offered to young people

Sub-programme 2

- i. Number of young people capacitated with skills to enter the job market
- ii. Number of young people placed in jobs

Sub-programme 3

- i. Number of government departments implementing NYS programmes in partnership with NYDA
- ii. Number of young people securing paid service opportunities
- iii. Number of young people who have completed planned service activities
- iv. Number of young people transitioning out of the NYS into other opportunities
- v. Number of government departments and organisations capacitated to implement NYS programmes

4.3.3 Programme 3: Integrated Youth Development

The overall outcome for this programme focuses on fostering a mainstreamed, evidence based, integrated and result oriented youth development. The annual targets 4 in total are as follows:

- i. Number of impact programme evaluations conducted
- ii. Annual reports produced on IYDS, NYS programme and Disability Strategy
- iii. Number of youth status outlook reports produced
- iv. Develop a Youth Research Report in the country

5. Commission for Gender Equality

5.1 Mandate of the CGE

The background and context of CGE's work emanates from Section 181 of the Constitution (1996) and it is one of the Chapter 9 institutions which are independent entities for strengthening democracy. The CGE is therefore required to report to the National Assembly at least once a year regarding the progress of carrying out its strategic objectives. Section 187 of the Constitution stipulates that the Commission should promote respect for gender equality, and protect and develop its attainment, as well as monitor, educate, lobby, advise and report on issues related to gender equality.

In line with the CGE's obligation to strengthen constitutional democracy with a focus on the attainment of gender equality, the CGE has a legislative mandate and functions which include the following:

a) Monitor, evaluate and make recommendations on:

- Policies and practices of organs of state, statutory bodies and functionaries, public bodies or private businesses, to promote gender equality.
- Any existing law including indigenous law and practices.
- Government's compliance with international conventions with respect to gender equality.

b) Propose/recommend on:

- New law that may impact on gender equality or the status of women.

c) Develop, conduct or manage

- Educational strategies and programmes that foster understanding about gender equality and the role of the CGE.

d) Investigate and resolve conflicts

- On gender matters and complaints through mediation, conciliation and negotiation or referral to other institutions.

e) Liaise and interact

- With institutions, bodies or authorities with similar objectives to the Commission.
- With any organisation which actively promotes gender equality and other sectors of civil society to further the objectives of the Commission.

f) Prepare and submit reports

- To Parliament on aspects relating to gender equality.

In addition, the Commission for Gender Equality may:

- Conduct or order research to be conducted;
- Consider recommendations, suggestions and request from any source.

The Commission is publicly funded and is thus subject to the reporting requirements of the Public Finance Management Act (Act No 1, 1999). The obligations of the PFMA include an audit by the Auditor General. In line with its Constitutional mandate, the vision of the Commission for Gender Equality remains to strive for “a society free from all forms of gender oppression and inequality”, while its mission includes to “advance, promote, protect, monitor and evaluate gender equality through undertaking research, public education, policy development, legislative initiatives, effective monitoring and litigation”.

5.2 Analysis of the Commission for Gender Equality’s Budget 2024/25

For the 2024/25 financial year, the Commission for Gender Equality (CGE) received an allocation of R93.5 million through a transfer payment from the Department of Women, Youth and Persons with Disabilities. Of the total allocation, R71.1 (76%) of the CGE’s budget is allocated for Compensation of Employees, while R22.5 (24%) is allocated towards Goods and services. The Commission has repeatedly reiterated that it is a “human capital driven” institution, with its employees carrying out the bulk of its services, and as such the bulk of its funding is allocated for compensation of employees. As per the ENE of 2024, the CGE has a total establishment of 112 funded positions for the 2024/25 FY.

Programme/Strategic Outcome 2 receives the largest allocation of R32.9 million followed by Programme/Strategic Outcome 4 (R26.8 million), which is the outcome focusing on the operations and systems of the Commission. While the nominal rand change between 2023/24 and 2024/25 is approximately R1.8 million, when considering inflation, the real rand change in allocation is R6 million (-6.29%) as reflected in the table below.³⁷

Table 11: CGE comparative analysis of Strategic Outcomes for 2023/24-2024/25³⁸

Programme/ Outcome	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25	Allocation as per CGE APP
	2023/24	2024/25	2023/24-2024/25		2023/24-2024/25		2024/25
Strategic Outcome 1: An enabling legislative environment	26,1	25,6	- 0,5	- 1,6	-1,92 %	-6,32 %	27,6
Strategic Outcome 2: Gender equality promoted through information & education	33.5	32.9	-0.6	-2.1	-1.79	-6.20	30.3

³⁷ Levendale, C (2024) Commission for Gender Equality: 2024/25 Budget and Annual Performance Plan, Parliament of RSA, Research Unit

³⁸ National Treasury (2024) Vote 20 Department of Women, Youth and Persons with Disabilities, Estimates of National Expenditure

Programme/ Outcome	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25	Allocation as per CGE APP
Strategic Outcome 3: Monitoring & Research Investigations	8.4	8.2	-0.2	-0.6	-2.38	-6.76	8.4
Strategic Outcome 4: Renewed & effective organisation	27.3	26.8	-0.5	-1.7	-1.83	-6.24	27.1
TOTAL	95.3	93.5	-1.8	-6.0	-1.89%	-6.29%	±93.5

The figures in the table above have been taken from the ENE (2024), however the figures reflected in the CGE's APP 2024/254 are different. "Strategic outcome 1 sees a significant increase year-on-year as it received 12.3 percent of the budget in 2023/24. Strategic outcome 4 sees a decline from 42 percent of the budget in 2023/24 to just under 29 percent in 2024/25."³⁹ Notwithstanding that, having examined the allocations outlined in the ENE the following can be deduced; Strategic Outcome 1 consumes 27.3% of the overall budget, Strategic Outcome 2 35.1%, Strategic Outcome 3 8.7% and Strategic Outcome 4 28.6%. Hence Strategic Outcome 3 receives the smallest allocation and Strategic Outcome 2 receives the largest proportion of the budget.⁴⁰

With respect to the CGE's Key Cost drivers for 2024/25, these were specified in the ENE or the CGE's APP. The CGE stated in the APP. "The Commission plans to spend R 27,2 million (29%) of the budget on programmes that support core services such as Information Technology, Internal Audit, Communications, Human Resources Management, CEO, as well as Finance and administration units. These support services will ensure compliance, audits, risk management, effective and efficient systems for smooth operations of the organisation when implementing programmes and activities, in line with the Commission's mandate." However, the detail in that regard is lacking.

³⁹ Levendale, C (2024) Commission for Gender Equality: 2024/25 Budget and Annual Performance Plan, Parliament of RSA, Research Unit, p.6

⁴⁰ Ibid

No detailed information is available in terms of the budgetary allocation per Strategic Outcome.

No information on the current human resource capacity of the CGE is provided in the APP 2024/25. The ENE 2024 indicates that the Commission has a total of 112 funded posts employees for 2024/25 and the majority (60) are employed at salary levels 7-10, while 29 are employed at salary levels 11-12.

5.3 CGE Programme analysis

The following section provides an overview of annual targets related to the 4 outcomes. Overall, the number of targets has remained the same (26). However, significant changes have been made within strategic outcomes with targets being removed or reworded, and new targets being introduced. No clarity or explanation is provided for any of these changes and the detail pertaining to targets are lacking. Notwithstanding that, the CGE noted the following 4 Strategic Outcomes which are outlined hereafter.

5.3.1 Programme 1: Legal Services

The purpose of this programme is to ensure that there is an enabling legislative environment for gender equality in South Africa. This is achieved through the examination of existing legislation, recommendations for new legislation or provisions, the making of recommendations aimed at transformation and inclusivity, national and provincial trend analysis, undertaking of systemic investigations, undertaking investigations arising from complaints received regarding gender equality issues as well as emerging gender aspects, and engagements with the relevant executive arms of the state and private sector to address the recommendations made. Litigation, mediation, public investigative hearings and issuing of the investigative reports are means utilised to deliver the objectives of the programmes. The 4 annual targets listed were as follows:

- i. 20 submissions and 1 consolidated report
- ii. 2 strategic engagements with the executive arm of government and the private sector, and a report thereof
- iii. 5 provincial investigations and a report thereof

- iv. 1 consolidated report on 80% compliance with CGE Complaints Handling Manual

The following targets have been removed which previously appeared in the 2023/24 APP:

- 2 Compliance monitoring projects undertaken (NSP, GBV, SDG or any other rights) per year
- 10 reports submitted – Number of CGE Act reviewed
- Number of employment equity and GBV in workplace hearings conducted

5.3.2 Programme 2: Public Education and Information

This programme promotes gender equality through a sector-based approach using key role players in the public, private and civil society sectors. The programme provides these sectors with critical information about gender equality in the form of guidelines, frameworks and training of trainer initiatives which multiply the number of people and organisations who can represent and promote gender equality. The 6 annual targets noted were as follows:

- i. 108 content development initiatives for communication platforms and technologies to amplify the CGE mandate
- ii. 36 GAD training content and programmes developed and managed for both private and public sectors
- iii. 72 gender mainstreaming interactions, promoted and monitored for both the public and private sectors, and a report thereof
- iv. 72 outreach initiatives using radio to educate and engage communities about the mandate of the Commission
- v. 108 developed gender equality education and information initiatives for dissemination in public and private sectors and report thereof
- vi. 36 stakeholder engagements coordinated and critical gender issues, and a report thereof.

5.3.3 Programme 3: Research and Monitoring

This programme monitors compliance with gender equality precepts at international, regional, national and provincial levels, and provides opportunities for dialogue on key issues to deepen understanding of gender equality. The 5 annual targets noted were as follows:

- i. 4 reports on research and monitoring and evaluation completed
- ii. 1 report on the country's compliance with regional/international instruments
- iii. 2 policy dialogues convened
- iv. 2 engagements to share research reports with various stakeholders*
- v. 12 research and monitoring reports published on communication platforms*

*new target

5.3.4 Programme 4: Effective Organisation

The programme ensures that the Secretariat of the Commission supports the other three Programmes with an efficient and effective organisation that ensures the best possible systems, processes and policies, ensures the highest levels of corporate governance and the management of risk and compliance, enables financial management in line with the best international practices, and retains competent, motivated and engaged workforce. The 11 annual targets noted were as follows:

- i. Development of Corporate organisational strategy
- ii. 8 scheduled management committee meetings conducted with signed minutes or resolutions thereof
- iii. 1 Progress report on the implementation of change management plan
- iv. 100% of expenditure on planned improvement initiatives
- v. 75% implementation of Audit Action plan of the previous financial year
- vi. 100% Compliance with legislation reviewed and implemented. 100% compliance with Risk Management Plan – Progress report on implementation of Risk Management Plan*
- vii. 5% vacancy rate
- viii. 12 CGE policies will be reviewed
- ix. Development of a Culture transformation plan
- x. 4 training and development initiatives conducted

- xi. Information and Technology Infrastructure managed and developed*
- xii. Consolidated 4 quarterly value add and internal audit reports issued*
- xiii. Implementation of media communications plan developed to provide effective corporate communication and media support to the institution
- xiv. 4 reports on number of people reach through media and communications platform*

*The annual targets for Programme 4 reflected on p.35-39 – versus that which is cited in p. 44-47 in the APP differs slightly - but no explanation provided.

6 Observations

Having met with the Department of Women, Youth and Persons with Disabilities, the NYDA and the CGE to scrutinise the respective amended Strategic Plans and Annual Performance Plan including the budget for 2024/25, the Committee made the following observations:

6.1 Department of Women, Youth and Persons with Disabilities

In terms of the Department of Women, Youth and Persons with Disabilities

6.1.1 General Matters

- The Committee welcomes the tabling of the APP 2024/25.
- **Limited operational budget:** The Committee noted with concern the limited operational budget of the Department (R209.8 million) to give effect to its mandate.
- **Reduction of budget:** The Committee noted with concern the potential impact of the reduced budget of the Department on the services to be rendered for women, youth and persons with disabilities moreover the core programmes to be rendered.
- **Reasonable Accommodation:** The Committee noted with concern that the limited budget, insofar as equipment is concern, how that would negatively impact on the Department being able to implement reasonable accommodation for employees with disabilities by having adequate budget to procure necessary equipment/services that would be required for an employee. To this end, the

Committee questioned what plan the Department had to accommodate for persons with disabilities within its employ.

- **Finance:** The Committee sought clarity about how the Department intends budgeting adequately per quarter.
- **NYDA vs Department:** The Committee noted the funding allocation to the NYDA being significantly more in comparison to the Department's youth programme and sought clarity in this regard. The Committee was also concerned whether there was a duplication in services rendered by the NYDA versus that of the Department insofar as mainstreaming youth is concerned.
- **Monitoring and Evaluation:** The Committee sought clarity from the Department about how it intends to hold departments to account in terms of adhering to equity targets and spending in relation to women, youth and persons with disabilities.
- **Mainstreaming Gender, Youth, Disability:** The Committee questioned whether the Department was assessing whether the private sector was mainstreaming gender, youth and disability into its policies. Moreover, the Committee questioned whether the private sector was responsive to the Department's policies.
- **Youth:** The Committee noted with concern the significant challenges faced by youth in the country.

6.2 National Youth Development Agency

In terms of the National Youth Development Agency, the Committee made the following observations:

- i. The Committee welcomes the tabling of the amended APP.

6.3 Commission for Gender Equality

In terms of the Commission for Gender Equality, the Committee's observations were as follows:

- i. The Committee welcomes the tabling of the APP and Strategic Plan.

7. Recommendations

Having considered the Annual Performance Plan and budget for the Department, the Committee recommends to the Department of Women, Youth and Persons with Disabilities as follows:

7.1 The Department of Women, Youth and Persons with Disabilities should:

- i. **Human Resource:** provide a breakdown of its staff compliment by age, disability and gender.
- ii. **Interventions:** provide breakdown of the departments (national and provincial) to be monitored.
- iii. **Monitoring and Evaluation:** indicate clearly to the Committee how it intends to monitor and evaluate departments.
- iv. **NYDA:** indicate how its mandate differs to that of the NYDA.

Having considered the Annual Performance Plan and budget for the NYDA, the Committee recommends as follows:

7.2 The National Youth Development Agency should:

- i. Present its amended APP to the Committee at a time to be communicated.

Having considered the Annual Performance Plan and budget of the Commission for Gender Equality, the Committee recommends as follows:

7.3 The Commission for Gender Equality should:

- i. Present its Amended APP and new Strategic Plan to the Committee at a time to be communicated.

7.4 National Treasury

- i. Recommend that National Treasury adequately funds the Department in order to give effect to its mandate.

8. Conclusion

The Committee welcomes all the annual performance plans that have been submitted for consideration and report and will continue to ensure that astute oversight is conducted over the Department, the Commission for Gender Equality and the National Youth Development Agency.

Report to be considered.

6. The Budget Vote Report of the Portfolio Committee on Health, dated 10 July 2024

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Report of the Portfolio Committee on Health on Budget Vote 18: Health, Annual Performance Plan and Budget of the Department of Health, Dated, 10 July 2024

The Portfolio Committee on Health (the Committee), having considered Budget Vote 18: Health, together with the 2024/25 Annual Performance Plan (APP) of the Department of Health (the Department) 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 focusing on its 2024/25 Annual Performance Plan and budget allocations over the medium-term expenditure framework (MTEF) period. This report details the deliberations, observations and recommendations made by the Committee relating to Vote 18.

1.2. Process

On the 9th of July 2024, the Portfolio Committee on Health engaged the Department of Health on its Annual Performance Plan and budget for 2024/25.

2. CONSIDERATION OF THE ANNUAL PERFORMANCE AND BUDGET OF THE DEPARTMENT OF HEALTH (2024/25)

2.1. Introduction

The importance of health and its impact on the economy cannot be overstated. Investment in health is essential for a healthy economy as good health is a prerequisite for an economy to thrive. The Public Health Sector has for some time been under pressure and the arrival of COVID-19 intensified the pressure on the constrained system. Over the medium-term, the Department's focus will be on:

- Preventing and treating communicable and non-communicable diseases (NCDs);
- Strengthening primary health care services;
- Supporting tertiary health care services in provinces; and
- Strengthening health systems, including infrastructure, in preparation for the introduction of the National Health Insurance.

2.2. Policy Priorities for 2024/25 and alignment with development agendas

2.2.1. State of the Nation Address (SONA)

In the February 2024 State of the Nation Address (SONA), the President addressed the following health-related issues:

- **COVID-19 pandemic:** The country was able to endure the COVID-19 pandemic, described as the worst pandemic in over a century. Whilst more than a 100 000 South Africans lost their lives to the disease and two million people lost their jobs, the impact could have been much worse. It was through the collaborative work by Government and social partners, including civil society, unions and the private sector, that people were kept safe, and vaccines were distributed during the pandemic. The President also paid tribute to the many thousands of South Africans who made financial contributions to the Solidarity Fund, to the workers who produced medical supplies, and to the nurses, doctors, other health workers, soldiers and police who risked their lives to care for those who were ill.
- **Health outcomes and infrastructure:** In recounting the achievements of the Government in the 30th year of democracy, the President highlighted that one of the first policies of the democratic Government was to provide free health care for pregnant

women and children under six years of age. Life expectancy has increased from 54 years in 2003, to 65 years in 2023. Maternal and infant deaths have decreased dramatically. Government has built more hospitals and clinics, especially in poor areas, providing better quality healthcare to more South Africans.

- **HIV and AIDS:** 95 % of persons diagnosed with HIV know their status, 79% of those receive antiretroviral treatment, and 93% are virally suppressed. New infections amongst young people have decreased significantly.
- **Impact of climate change:** Extreme weather events such as floods, drought and wildfires, attributed to climate change, have a negative impact on the health and well-being of people. To this end, the Government has decided to establish the Climate Change Response Fund, which will bring together all spheres of government and the private sector in a collaborative effort to build resilience and respond to the impacts of climate change. Government will continue its just transition to a low carbon economy in an affordable manner, mitigating the impact of climate change, creating growth and jobs for South Africans.
- **The National Health Insurance (NHI):** Government aims to improve the quality of and access to healthcare in South Africa, in both public and private health facilities. To this end, the Government aims to incrementally implement the NHI by dealing with health system financing, health workforce, medical products, vaccines and technologies and health information systems.

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 planned National Health Commission is aimed at preventing and reducing the burden of communicable diseases. 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. United Nations Sustainable Development Goals (UN SDGs)

The Department is also committed to working towards achieving the 13 health-related UN SDG targets, which aim to achieve Goal 3: “Ensure healthy lives and promote well-being for all at all ages”. The health targets for the SDG 3 are listed below:

- 3.1.** By 2030, reduce the global maternal mortality ratio to less than 70 per 100 000 live births.
- 3.2.** By 2030, end preventable deaths of new-borns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1 000 live births and under-5-year mortality, to at least as low as 25 per 1 000 live births.
- 3.3.** By 2030, end the epidemics of AIDS, Tuberculosis, Malaria and neglected tropical diseases and combat Hepatitis, water-borne diseases and other communicable diseases.
- 3.4.** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.
- 3.5.** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.
- 3.6.** By 2020, halve the number of global deaths and injuries from road traffic accidents.

- 3.7.** By 2030, ensure universal access to sexual and reproductive health-care services, including family planning, information and education, and the integration of reproductive health into national strategies and programmes.
- 3.8.** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
- 3.9.** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.
- 3.a.** Strengthen the implementation of the World Health Organisation (WHO) Framework Convention on Tobacco Control in all countries, as appropriate.
- 3.b.** Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries. By providing access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on TRIPS regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.
- 3.c.** Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States.
- 3.d.** Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.

2.2.4. Department of Health Five-Year Strategic Goals (2020/21 – 2024/25)

In addition to the NDP, the health sector is also guided by the health sector Ten Point Plan and the United Nations (UN) Sustainable Development Goals 2030. The Department’s five-year strategic goals are as follows:

Table 1: Department of Health Five Year Strategic Goals

MTSF Priority 3: Education, Skills and Health

Impact Statements	Outcomes
A. Life expectancy of South Africans improved to 66.6 years by 2024, and 70 years by 2030.	1. Maternal, Child, Infant and neonatal mortalities reduced.
	2. HIV incidence among youth reduced.
	3. 90:90:90 targets for HIV AIDS achieved by 2020 and 95:95:95 targets by 2024/25.
	4. Significant progress made towards ending TB by 2035 through improving treatment/cure.
	5. Premature mortality from non-communicable diseases reduced by 10%.
B. Universal Health Coverage for all South Africans progressively achieved and all citizens protected from the catastrophic financial impact of seeking health care by 2030.	6. An equitable budgeting system progressively implemented and fragmentation reduced.
	7. Resources are available to managers and frontline providers, with flexibility to manage it according to their local needs.
	8. Financial management strengthened in the health sector.
	9. Management of medico-legal cases in the health system strengthened.
	10. Package of services available to the population is expanded on the basis of cost-effectiveness and equity.
	11. Integrated services delivered according to the referral policy, at the most appropriate level, to ensure continuity of care.
	12. Quality and safety of care improved.
	13. Staff equitably distributed and have right skills and attitudes.
	14. Community participation promoted to ensure health system responsiveness and effective management of their health needs.
	15. Environmental Health strengthened by contributing to improved quality of water, sanitation, waste management and food services.
	16. Financing and Delivery of infrastructure projects improved.
	17. Adaptive learning and decision making is improved through use of strategic information and evidence.
	18. Information systems are responsive to local needs to enhance data use and improve quality of care.

The Department's Strategic Plan consists of two impact statements derived from the Medium-Term Strategic Framework (MTSF) 2019-2024, linked to 18 outcomes. Five outcomes relate to the quadruple burden of disease; and 13 outcomes to health system strengthening and the NHI. An extra intervention, with three indicators, has since been added due to the pandemic: Rollout of the National COVID-19 Vaccination Programme across the country to reduce morbidity and mortality.

2.2.5. Department of Health Planned Policy Initiatives

The key policy priorities of the Department include the following:

- **National Strategic Plan (NSP) for HIV, TB and STIs (2023 – 2028):** The fifth generation of the NSP (launched in 2023) will ramp up efforts to reach the 95-95-95 goal. This includes establishment of youth zones in facilities, targeting reduced HIV incidence amongst the youth, as well as the continued expansion of the Central Chronic Medical Dispensing Distribution (CCMDD) Programme for the distribution of medicines to stable patients. The Department will also be focussing on tracing people who are infected with TB but have not had treatment, as well as those who started but did not complete treatment.
- **Improve Quality of Health services:** The Department aims to speed up the improvement of the quality of health services at all levels from the primary health care (PHC) level to specialised services. There will be an increased focus on improving patient experience of care, as well as reducing waiting times at public health facilities.
- **Facilitate the implementation of the National Health Insurance (NHI) service.** The Department will continue work on the phased implementation of the NHI. This will be done via a series of interventions to improve access to quality health care. Interventions include the roll out of the National Health Quality Improvement Programme to improve compliance with the standards for certification by the Office of Health Standards Compliance (OHSC); the continued expansion of the CCMDD Programme which helps alleviate congestion at health facilities and facilitates adherence to treatment; and expansion of access to specialised services which will be made possible through various funding mechanisms.

2.3. Annual Performance Plan (APP) Key Indicators

Some of the key indicators in the Department of Health's 2024/25 APP include:

Programme 1: Administration

- The Department aims for an unqualified audit opinion.
- Payment of suppliers within 30 days of receiving valid invoices.
- 200 health promotion messages will be placed on the Department's integrated platforms in order to reduce premature mortality due to non-communicable diseases.

- Community participation promoted through two Health Imbizos and 12 unannounced site visits.
- Meet equity targets regarding percentage of women in SMS (Senior Management Service), percentage of youth appointed, and percentage of people with disabilities appointed.
- Employment of people with disabilities in line with equity targets (2.5%).

Programme 2: National Health Insurance

- 9.5 million parcels delivered to Pick up Points (PUPs).
- New indicator: Accreditation framework for Health service providers submitted to National Health Council (NHC) for approval.
- New indicator: Draft capitation model and methodology framework developed.
- New indicator: Development of Electronic Medical Records (EMR) - Minimum Viable Product (MVP) focusing on TB and HIV.
- New indicator: Draft Essential Equipment List for health care service package developed.

Programme 3: Communicable and Non-Communicable Diseases

- 3.3 million HIV stable clients decanted to Differentiated Model of Care (DMOC).
- 2 200 primary health care (PHC) facilities with youth zones.
- 83% of drug susceptible-TB treatment success rate.
- Start 221 941 people on TB treatment.
- Eighteen (18) districts introduce HPV screening for cervical cancer.
- Eleven (11) districts with improved surveillance for Vaccine-Preventable diseases (i.e. Polio).
- Four (4) subdistricts implementing the Foci clearing programme to interrupt the local transmission of malaria.
- 200 new State patients admitted into designated psychiatric hospitals.
- 351 Hospitals (additional 70) obtain 75% or more on the food service policy assessments.
- Four (4) national non-communicable diseases campaigns conducted.

Programme 4: Primary Health Care

- Twenty-five (25) district hospitals qualify as Ideal Clinics.
- 2 700 PHC facilities qualify as Ideal Clinics.
- 14 million Community Outreach Services household visits conducted.
- Ten (10) metropolitan and district municipalities assessed for adherence to environmental norms and standards.
- Nine (9) provinces assessed for compliance with Regulations relating to Standards for Emergency Medical Services.

Programme 5: Hospital Systems

- Draft Hospital Strategy finalised.
- 100% of Hospitals implementing the National Health Quality Improvement Programme.
- 42 primary health care facilities constructed or revitalised.
- 50 hospitals are to be constructed or revitalised.
- 400 public health facilities to be maintained, repaired and/or refurbished.

Programme 6: Health Systems Governance and Human Resources

- South Africa Health Products Regulatory Authority (SAHPRA) and National Health Laboratory Service (NHLS) Boards appointed for new three-year terms of office.
- South African Dental Technicians Council (SADTC) appointed for new five-year term of office.
- Five (5) audit-actions plans monitored.
- Nine (9) differentiated Nursing Education and Training plans developed.
- Draft set of final food labelling regulations submitted to legal services.

2.4. Budget Analysis (2024/25)

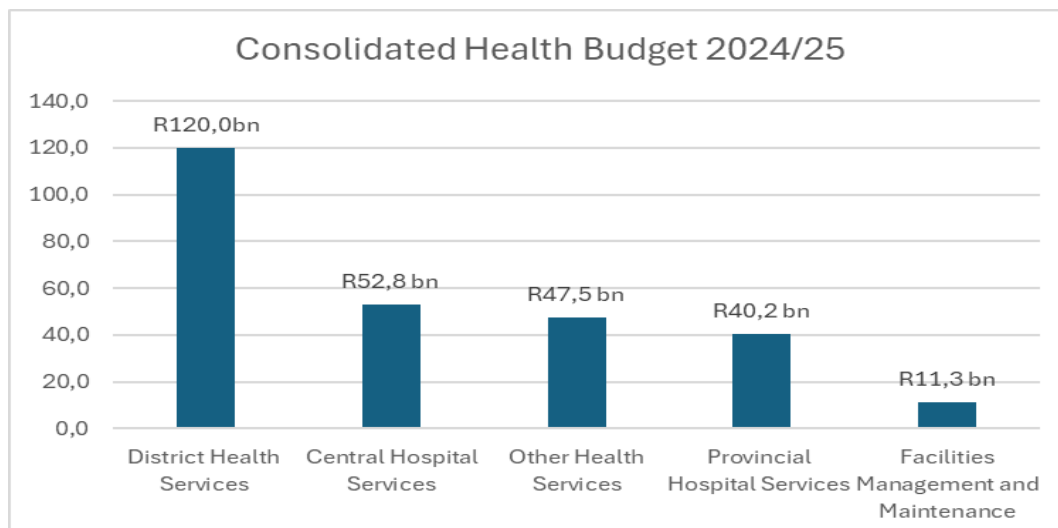
2.4.1. Consolidated Health Budget 2024/25

The Public Health Budget spans across the national department, its entities and the provincial Departments of Health. The consolidated budget for 2024/25 totals R271.9 billion, representing a R12.7 billion increase (from R259.2 billion in the previous financial year). Table 2, below, provides a breakdown of the 2024/25 budget, by functional and economical classification.

Table 2: Consolidated Spending by Functional and Economic Classification, 2024/25

	Compensation of Employees		Goods and Services		Capital spending and transfers		Current transfers and subsidies		Interest Payments		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
R billion											
Consolidated Health	174.6	64.2	76.9	28.3	14.6	5.4	5.9	2.2	0.0	0.0	271.9
SA Total Expenditure	754.2	31.8	320.5	13.5	197.6	8.3	698.2	29.5	390.9	16.5	2 369.0

- A significant segment of the consolidated health expenditure, 64.2%, is dedicated to Compensation of Employees (COE), which totals R174.6 billion, up from R163.6 billion in the previous financial year.
- Consolidated health expenditure on Goods and Services totals R76.9 billion, up from R76.1 billion in 2023/24, which constitutes 28.3% of overall health expenditure.
- Consolidated health expenditure also makes provision for R14.6 billion (5.4%) allocated to Capital spending and transfers, and R5.9 billion for Current transfers and subsidies (2.2%).
- There is no allocation for Interest Payments.

Figure 1: Consolidated Health Budget Expenditure

As can be seen in Figure 1 above, District Health Services receives R120.0 billion (44.2%), the largest proportion of the consolidated health budget.

This is followed by Central Hospital Services, which receives R52.8 billion (19.4%), Other Health Services R47.5 billion (17.5%) and Provincial Hospital Services receives R40.2 billion (14.8%). Facilities Management and Maintenance Receives R11.3 billion (4.2%).

2.4.2. National Department of Health (NDoH) Budget (2024/25)

The Department receives R62.2 billion, up from R58.6 billion in 2023/24. This represents an increase of 6.3% in nominal terms (1.5% in real terms).

Table 3: NDoH Budget Summary

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	R million	2023/24				
Programme 1: Administration	764,8	759,5	- 5,3	- 39,4	-0,7 per cent	-5,2 per cent
Programme 2: National Health Insurance	1 508,6	1 343,7	- 164,9	- 225,2	-10,9 per cent	-14,9 per cent
Programme 3: Communicable and Non-communicable Diseases	23 682,6	25 386,3	1 703,7	564,1	7,2 per cent	2,4 per cent
Programme 4: Primary Health Care	3 005,4	3 318,4	313,0	164,0	10,4 per cent	5,5 per cent
Programme 5: Hospital Systems	22 136,0	23 900,2	1 764,2	691,3	8,0 per cent	3,1 per cent
Programme 6: Health System Governance and Human Resource	7 452,6	7 510,8	58,2	- 279,0	0,8 per cent	-3,7 per cent
TOTAL	58 550,0	62 218,9	3 668,9	875,9	6,3 per cent	1,5 per cent

The two largest programmes, namely Programme 3: *Communicable and Non-Communicable Diseases* (R25.4 billion) and Programme 5: *Hospital Systems* (R23.9 billion), jointly constitute 79.2% of the total budget allocation.

Programme 4: *Primary Health Care Services* increases by 10.4% from R3.0 billion to R3.3 billion. The smallest budget item (constituting only 1.2% of the total budget) is Programme 1: *Administration* which decreases by 0.7% from R764.8 million to R759.5 million.

Economic classification

In terms of economic classification, the bulk of the NDoH budget (R58.4 billion or 93.8%) consists of transfers and subsidies. This figure includes R56.4 billion to Provinces and municipalities, R201.0 million to Non-Profit Organisations (NPOs), R1.8 billion to departmental agencies and accounts and R9.5 million to Households.

- Current payments constitute a total value of R2.4 billion, which represents 3.9% of the total budget allocation.
- Compensation of employees increases by 5.3% from R657.4 million to R694.1 million.
- Most of the current expenditure (R1.7 billion) is allocated to Goods and Services, constituting approximately 71.1% of the total current payments.
- The largest share of expenditure goes to Contractors at R622.9 million.
- Expenditure items that also receive a large share of the Goods and Services budget are Inventory: Medical supplies R72.1 million, and Consultants: Business and advisory services R206.9 million.
- Operating leases amount to R129.9 million and Travel and subsistence at R129.7 million.
- Capital assets is allocated R1.4 billion. Buildings and other fixed structures are allocated R1.3 billion, and Machinery and Equipment is allocated R110.8 million.

Spending priorities for 2023 MTEF

Approximately 90.3% of the Department's budget over the Medium-Term Expenditure Framework (MTEF) period is for transfers to provincial Departments of Health as conditional grants. Total spending is projected to increase at an average annual rate of 4.3% due to

additional allocations to partly absorb the 2023 Public Sector Wage Agreement. The additions partially offset the decreases in the comprehensive HIV/AIDS component of the *District Health Programmes Grant* (reduced by approximately R1.3 billion per year) and the *Health Facility Revitalisation Grant* (reduced by approximately R1.2 billion per year) over the MTEF.

Conditional Grants

To address service delivery backlogs and the need to resolve the unequal distribution of tertiary services, the *National Tertiary Services Grant* has been protected from reductions and receives an additional R1.1 billion over the MTEF period to support Provinces to fund salary increases for personnel funded through it.

- There is concern that only 5.5 million clients were on ARV treatment in November 2023, against a target of 6 million. This was attributed to poor health-seeking behaviour especially amongst men. The Department will use outreach services such as Community Health Workers (CHWs) and innovative medicine dispensing models to improve performance on this target.
- The *National Tertiary Services Grant (NTSG)* is allocated R15.3 billion in 2024/25, and R15.9 billion in 2025/26 and R16.7 billion in 2026/27 under Programme 5: *Hospital Systems*. The Grant compensates Provinces for providing tertiary services to patients from outside a particular province. The Grant has a developmental component earmarked to establish tertiary services in provinces with limited access to them. In this regard, oncology services amounting to R737.3 million over the next three years has been shifted from the National Health Insurance (*NHI*) Grant which partially funded it, to the *National Tertiary Services Grant*.
- The *National Health Insurance Indirect Grant* has an allocation of R6.9 billion over the MTEF period. The Grant is expected to strengthen health systems, particularly information systems; help address the findings of the Office of Health Standards Compliance (OHSC); improve implementation of the ideal clinic initiative; improve the dispensing of medicines through the CCMDD programme; and provide proof of

concept, including the piloting of contracting units, for primary health care. The other component within the Grant, which deals with health facility revitalisation, is intended to fund strategic infrastructure projects. Approximately R1.6 billion of the Grant's allocation over the MTEF period, funded from the Budget Facility for Infrastructure, is for the construction of the Limpopo Academic Hospital.

2.4.3. Budget allocation per programme

2.4.3.1. Programme 1: Administration

The purpose of the Administration Programme is to provide strategic leadership management and support services to the Department.

Programme 1's budget decreases by 0.7% in nominal terms (and decreases by 5.2% in real terms) from R764.8 million in 2023/24 to R759.5 million in 2024/25. The largest sub-programme is Corporate Services, of which the allocation decreases by 7.4% in nominal terms and by 11.6% in real terms. Financial Management increases from R129.4 million to R158.9 million, representing a 22.8% increase in nominal terms and 17.3% increase in real terms.

Table 4: Programme 1: Administration

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25	
	R million	2023/24					2024/25
Sub-programme 1: Ministry		40.0	36.5	- 3,5	- 5,1	-8,8 per cent	-12,8 per cent
Sub-programme 2: Management		13,6	11,4	- 2,2	- 2,7	-16,2 per cent	-19,9 per cent
Sub-programme 3: Corporate Services		412,9	382,3	- 30,6	- 47,8	-7,4 per cent	-11,6 per cent
Sub-programme 4: Property Management		168,9	170,4	1,5	- 6,1	0,9 per cent	-3,6 per cent
Sub-programme 5: Financial Management		129,4	158,9	29,5	22,4	22,8 per cent	17,3 per cent
TOTAL		764,8	759,5	- 5,3	- 39,4	-0,7 per cent	-5,2 per cent

In terms of economic classification, 98.3% of the budget is allocated to Current payments. Compensation of employees amounts to R255.8 million, up from R249.4 million in the previous financial year. R490.9 million is allocated to Goods and services. This includes R126.1 million for Operating leases, R58.8 for Property payments and R49.6 million for Travel and Subsistence.

2.4.3.2. Programme 2: National Health Insurance

The National Health Insurance (NHI) Programme aims to achieve universal health coverage by improving the quality and coverage of health services through the development and implementation of policies and health financing reforms.

The Programme's budget decreases by 10.9% in nominal terms (decreases by 14.9% in real terms).

Table 5: Programme 2: National Health Insurance

Programme R million	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	2023/24	2024/25				
Sub-programme 1: Programme Management	7,1	9,3	2,2	1,8	31,0 per cent	25,1 per cent
Sub-programme 2: Affordable Medicine	49,0	37,9	- 11,1	- 12,8	-22,7 per cent	-26,1 per cent
Sub-programme 3: Health Financing and National Health Insurance	1 452,5	1 296,5	- 156,0	- 214,2	-10,7 per cent	-14,7 per cent
TOTAL	1 508,6	1 343,7	- 164,9	- 225,2	-10,9 per cent	-14,9 per cent

A total of R863.7 million is allocated for Current payments, of which R770.2 million is for Goods and Services. R586.5 million or 76.2% of the Goods and services budget is spent on Contractors. In terms of Transfers and Subsidies, R456.0 million (down from 694.7 million in 2023/24) is transferred to Provinces and Municipalities. R24.0 million is allocated to payments for Capital Assets.

2.4.3.3. Programme 3: Communicable and Non-Communicable Diseases

The aim of this programme is to develop and support the implementation of national policies, guidelines, norms and standards, and the achievement of targets for the national response needed to decrease morbidity and mortality associated with communicable and non-communicable diseases. It also aims to develop strategies and implement programmes that reduce maternal and child mortality.

This programme budget increases from R23.7 billion to R25.4 billion. The bulk of Programme 3's budget, i.e., 98.4%, is allocated to the *HIV, AIDS and STIs* sub-programme, amounting to R25.1 billion. This represents a nominal increase of 7.6% (an increase of 2.8% in real terms).

Table 6: Programme 3: Communicable and Non-Communicable Diseases

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	R million	2023/24				
Sub-programme 1: Programme Management	7,5	8,2	0,7	0,3	9,3 per cent	4,4 per cent
Sub-programme 2: HIV, AIDS, and STIs	23 351,8	25 127,9	1 776,1	648,1	7,6 per cent	2,8 per cent
Sub-programme 3: Tuberculosis Management	28,1	25,4	- 2,7	- 3,8	-9,6 per cent	-13,7 per cent
Sub-programme 4: Women's Maternal and Reproductive Health	17,6	18,6	1,0	0,2	5,7 per cent	0,9 per cent
Sub-programme 5: Child, Youth and School Health	28,0	27,9	- 0,1	- 1,4	-0,4 per cent	-4,8 per cent
Sub-programme 6: Communicable Diseases	131,9	62,1	- 69,8	- 72,6	-52,9 per cent	-55,0 per cent
Sub-programme 7: Non-communicable Diseases	85,2	83,6	- 1,6	- 5,4	-1,9 per cent	-6,3 per cent
Sub-programme 8: Health Promotion and Nutrition	32,4	32,5	0,1	- 1,4	0,3 per cent	-4,2 per cent
TOTAL	23 682,6	25 386,3	1 703,7	564,1	7,2 per cent	2,4 per cent

The *Communicable Diseases* sub-programme allocation decreases by 52.9% (55.0% in real terms). The remaining six sub-programmes combined receive less than one percent - approximately 0.99% of the programme's budget. This includes the *Tuberculosis Management; Women's Maternal and Reproductive Health; Child, Youth and School Health; Non-communicable Diseases (NCDs);* and the *Health Promotion and Nutrition* sub-programmes.

2.4.3.4. Programme 4: Primary Health Care

The Primary Health Care Services programme aims to develop and implement a uniform district health system and to develop policy for district health services.

This Programme's budget increases by 10.4% in nominal terms from R3.1 billion to R3.3 billion. The *District Health Services* sub-programme increases from R3.0 billion in the previous year, to R3.3 billion in 2024/25, an increase of 10.4% nominally, and 5.5% in real terms.

Table 7: Programme 4: Primary Health Care

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	R million	2023/24				
Sub-programme 1: Programme Management	6,9	6,8	- 0,1	- 0,4	-1,4 per cent	-5,9 per cent
Sub-programme 2: District Health Services	2 951,1	3 258,3	307,2	161,0	10,4 per cent	5,5 per cent
Sub-programme 3: Environmental and Port Health Services	38,8	44,1	5,3	3,3	13,7 per cent	8,6 per cent
Sub-programme 4: Emergency Medical Services and Trauma	8,6	9,1	0,5	0,1	5,8 per cent	1,1 per cent
TOTAL	3 005,4	3 318,4	313,0	164,0	10,4 per cent	5,5 per cent

Environmental and Port Health Services increases by 13.7 per cent from R38.8 million to R44.1 million in 2024/25.

2.4.3.5. Programme 5: Hospital Systems

The aim of the Hospital Systems Programme is to ensure that the planning, coordination, delivery and oversight of health infrastructure meets the country's needs.

The total budget for Programme 5 increases by 8.0% in nominal terms (3.1% in real terms).

The 2024/25 allocation to the *Health Facilities Infrastructure Management* sub-programme increases by 6.5% in nominal terms from R8.1 billion to R8.6 billion in 2024/25, which is an increase of 1.7% in real terms.

Table 8: Programme 5: Hospital Systems

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	R million	2023/24				
Sub-programme 1: Programme Management	5,5	6,9	1,4	1,1	25,45 per cent	19,8 per cent
Sub-programme 2: Health Facilities Infrastructure	8 097,0	8 619,3	522,3	135,4	6,45 per cent	1,7 per cent
Sub-programme 3: Hospital Systems	14 033,5	15 274,1	1 240,6	554,9	8,84 per cent	4,0 per cent
TOTAL	22 136,0	23 900,2	1 764,2	691,3	8,0 per cent	3,1 per cent

The *Hospital Systems* sub-programme increases by R1.2 billion from R14.1 billion to R15.3 billion in 2024/25, representing nominal increase of 8.8% (4.0% in real terms). 93.8% of programme funding is transferred to Provinces via the NTS Grant and HFR Gant.

2.4.3.6. Programme 6: Health Systems Governance and Human Resources

The Health Regulation and Compliance Management programme aims to, amongst other things, reduce the time taken for medicines to reach the market, and establish a National Public Health Institute, pending Cabinet approval.

Programme 6's budget allocation remains stagnant, increasing by only 0.8% in nominal terms and decreasing by 3.7% in real terms in 2024/25.

Two sub-programmes dominate expenditure under Programme 6. The *Human Resources for Health* sub-programme which receives R5.5 billion, which is an increase of 0.7% in nominal terms, but a real decrease of 3.9%. The *Public Entities Management* sub-programme receives R1.9 billion, increasing by 0.9% in nominal terms (3.9% decrease in real terms) from the previous year.

Table 9: Programme 6: Health Systems Governance and Human Resources

Programme	Budget		Nominal Increase / Decrease in 2024/25	Real Increase / Decrease in 2024/25	Nominal Percent change in 2024/25	Real Percent change in 2024/25
	R million	2023/24				
Sub-programme 1: Programme Management	9,7	8,5	- 1,2	- 1,6	-12,4 per cent	-16,3 per cent
Sub-programme 2: Policy and Planning	6,2	7,4	1,2	0,9	19,4 per cent	14,0 per cent
Sub-programme 3: Public Entities Management and Laboratories	1 860,6	1 876,6	16,0	- 68,2	0,9 per cent	-3,7 per cent
Sub-programme 4: Nursing Services	10,1	10,3	0,2	- 0,3	2,0 per cent	-2,6 per cent
Sub-programme 5: Health Information, Monitoring and Evaluation	64,5	70,2	5,7	2,5	8,8 per cent	4,0 per cent
Sub-programme 6: Human Resources for Health	5 501,5	5 537,9	36,4	- 212,2	0,7 per cent	-3,9 per cent
TOTAL	7 452,6	7 510,8	58,2	- 279,0	0,8 per cent	-3,7 per cent

The Nursing Services sub-programme increases by 2.0% in nominal terms from R10.1 million to R10.3 million in 2023/24, a decline of 2.6% in real terms.

3. COMMITTEE OBSERVATIONS

Having considered the annual performance plan and budget of the Department of Health, the Committee made the following observations:

- The Committee welcomed the 2024/25 annual performance plan and budget of the Department.
- The Committee expressed concern regarding the lack of baseline targets for ease of reference. Members made specific reference to indicators such as life expectancy and the CCMDD programme.
- The Committee expressed that there are many challenges in health facilities and emphasised the need for oversight to the various provinces. Further flagging the need for engagements with the provincial departments on a regular basis.
- The poor status of mental health care facilities and the bad conditions that patients are subjected to is concerning to the Committee.
- On non-communicable diseases, the Committee expressed concern that cardiovascular diseases are on the increase, and it is concerning that this area is not given the necessary

attention. It was highlighted that this is further exacerbated by the lack of capacity in district hospitals, with patients having to travel 4-6 hours to get medical attention.

- Regarding mental health, the Committee was concerned about inadequate infrastructure and facilities for mental health services.
- The Committee noted the need to construct new hospitals, however expressed the need to look into existing hospitals that has underutilised buildings (i.e. Dora Nginza Regional Hospital) that can be upgraded and refurbished.
- On the TB programme:
 - The Committee was of the view that the Department has set giant goals for TB treatment, however the focus should be on preventative treatment and household contact tracing.
 - The Committee expressed that social risk factors contributes to the ongoing transmission of TB, such as over-crowding and lack of ventilation, particularly in informal settlements and in mines.
- The Committee noted with concern the absence of data on Covid-19, considering the amendments to the International Health Regulations.
- The Committee noted with concern the security breach at the National Health Laboratory Service (NHLS) and the resultant devastating impact on patient care.
- The Committee expressed concern over the scourge of GBV and Femicide and noted that it is a huge challenge in the country.
- The Committee highlighted the need for the centralisation of public health care through a unified ICT platform.
- The Committee expressed the need to balance the pharmaceutical model with behavioural change.
- The RWOPS (remunerative work outside the public service) policy concerns the Committee, as it is destroying the training platform.
- The Committee was concerned about the low employment equity target (2.5%) for people with disabilities.
- The Committee wanted to know how the Department is protecting whistle-blowers in the health sector and closing the gaps for corrupt practices.
- The Committee expressed concern regarding the lack of response from the Department and provincial departments on the Committee's oversight findings and recommendations, as well as recurring findings of the Auditor-General.

- The Committee noted with concern regarding provinces that do not have tertiary services, meaning that patients must travel 6-7 hours to Gauteng province to receive tertiary health services.
- On financial matters:
 - The Committee observed with concern the reduction of R15.9 million under the compensation of employees, when many facilities are under-staffed, presenting massive impact on patient care.
 - The allocation of funds to smaller provinces such as Limpopo, Mpumalanga, North West and Northern Cape, is a concern as they are most in need, largely without access to mobile clinics.
 - The target to pay all valid invoices within 30 days was viewed as laudable, however expressed concern that provinces are perpetually in arrears.
 - The increase in medico-legal claim across all provinces is a major concern to the Committee, as it is putting the health sector under significant pressure.

4. COMMITTEE RECOMMENDATIONS

The Committee recommends that the Minister of Health should ensure that the Department of Health:

- Provides the Committee with a progress report on the reduction in maternal and infant mortality.
- Ensure cross-sectoral collaborations with other government departments in dealing with the social risk factors of TB. The Department should provide a quarterly report. The Department should further focus more on preventative treatment and case-finding.

- The Committee highlighted the need for the centralisation of public health care through a unified ICT platform.
- The Committee expressed the need to balance the pharmaceutical model with behavioural change.
- Ensure greater investment to ensure improved ICT systems, cybersecurity and the full implementation of the National Digital Health Strategy.
- Fast-track the medico-legal reform and report to the Committee quarterly.
- Present to the Committee a turnaround plan to address the recurring findings of the Auditor-General.
- The Department and provincial departments should respond to the Committee's recommendations within the specified timeframes.
- The Committee expressed the need for the health sector to pay special attention to Gender-Based Violence and Femicide. It further noted that the Department should report to the Committee quarterly on the work done in implementing the Gender-Based Violence and Femicide National Strategic Plan (GBVF-NSP) 2020-2030.
- Provide a progress report to the Committee on the implementation of the National Mental Health Policy and Strategic Plan.
- Review the RWOPS policy for impact assessment on training and service implementation.
- Optimise underutilised hospital buildings by upgrading and refurbishing these, rather than embarking on constructing new buildings.

5. CONCLUSION

Unless otherwise indicated, the Department of Health and its entities should respond to the Committee recommendations within three months from the day the report is adopted by the House.

Report to be considered.

7. Report of the Portfolio Committee on International Relations and Cooperation on Budget Vote 6: International Relations and Cooperation dated 10 July 2024

The Portfolio Committee on International Relations and Cooperation (hereinafter referred to as the Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Department of International Relations and Cooperation (hereinafter referred to as the Department) and the African Renaissance Fund (hereinafter referred to as the ARF), tabled by the Minister of International Relations and Cooperation, in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

1. Background

Parliament plays an important role in overseeing planning and performance of government departments and public entities as well as Chapter 9 and 10 institutions. The Public Finance Management Act, section 27 stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. After that, the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009, section 10 (1) (c) clearly stipulates that the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the strategic and annual performance plans, the Committee ensured that the Department of International Relations and Cooperation and the African Renaissance Fund plans and budget allocations are in line with Medium Term Strategic Framework 2019-2024. The Budget allocation serves as a key instrument for government to promote socio-economic development. It plays a critical role as an economic instrument of the government to reflect on the country's socio-economic policy priorities, by translating priorities and political commitments into expenditures. Furthermore, the Budget serves as a vital tool to operationalise government activities towards the achievement of its intended priorities. It also gets to highlight the constraints and trade-offs in policy choices.

2. Introduction

The Committee met on 9 and 10 July 2024 to consider presentations on the Department's Annual Performance Plan (APP) 2023/24 and the related budget allocations. The Committee further considered the Annual Performance Plan 2023/24 of the African Renaissance and International Cooperation Fund (ARF) and its budget allocation. This report summarises the said presentations of the Department and the ARF, their budget allocations as well as allocations over the MTEF.

2.1 Opening remarks by the Chairperson of the Portfolio Committee of International Relations and Cooperation, Honourable SOR Mahumapelo MP

In his opening remarks, Honourable Mahumapelo welcomed both the Members and those representing the Department, led by the Director General Mr Zane Dangor. The Chairperson further expressed hope that the Portfolio Committee will work harmoniously with the Department and the entity. He emphasised the importance of oversight over the foreign policy activities of the country under the stewardship of the Department. He promised a robust oversight approach and the focus on service delivery for the benefit of the people of South Africa. He acknowledged the fast-changing international landscape and the need for the Portfolio Committee to keep abreast of international developments that shape the trends influential to South Africa's Foreign Policy.

The Chairperson observed that the Committee was to consider the Budget Vote of the Department, which comprised the Annual Performance Plans of both the Department and its entity, the African Renaissance Fund (ARF). He reminded the Committee that the budget vote process is very important to Parliament, as it is an oversight tool that indicates where the budget allocation would be spent on in line with predetermined objectives. The Chair pointed out that the budget vote shapes the oversight strategy, as to what priorities for the year would be, and allows the Committee to scrutinise areas where the Department has set its targets. In conclusion Mr Mahumapelo indicated that the Portfolio Committee would ensure that there will be implementation of the set objectives.

2.2 Overview of the Annual Performance Plan 2024/25 by the Director General of the Department of International Relations and Cooperation, Mr Zane Dangor

The Director General thanked the Chairperson for his opening remarks which would help guide the work of the Department. In his overview, the Director General hastened to highlighted that the Department is faced with a reduced budget which would create challenges to the work it has set itself to achieve. Africa remained the centrepiece of South Africa's Foreign Policy. South Africa would continue to contribute towards a united and cohesive Africa. As a result, the Department would continue with its mandate as espoused in its Strategic Plan 2020-2025. In doing so, the Department would continue to focus on economic diplomacy. This would be in response to the call by President Cyril Ramaphosa to continue to grow the economy, and to support the Economic Reconstruction and Recovery Plan.

3. Presentation by the Department on Budget Vote 6: International Relations and Cooperation 2024/25 and Medium-Term Expenditure Framework (MTEF) expenditure focus

The Department presented on its work towards the realization of South Africa's Foreign Policy objectives. This was reported done through:

- coordinating and aligning South Africa's international relations,
- monitoring developments in the international environment,
- communicating government's policy positions,
- developing and advising government on policy options, and creating mechanisms and avenues for achieving objectives,
- protecting South Africa's sovereignty and territorial integrity,
- contributing to the creation of an enabling international environment for South African businesses,

- sourcing developmental assistance; and assisting South African citizens abroad¹.

3.1 Strategic linkages to the National Development Plan (NDP) 2030

It has been highlighted that South Africa's Foreign Policy finds its inspiration on the country's domestic agenda. It endeavours to address the triple challenges of poverty, inequality and unemployment through the implementation of an independent foreign policy, within a highly volatile, uncertain, complex, ambiguous (VUCA) and dynamic international environment.

According to the Annual Performance Plan (APP), the conduct of South Africa's foreign policy would be driven by the quest to realise the aspirations of the NDP Vision 2030 and its development trajectory. This would be done with full recognition of the challenges posed by international environment the Department operates in.

With regard to international relations and cooperation Chapter 7, the NDP focuses on the need to enhance South Africa's position in the region and the world, and to increase trade and investment. The plan further states that the country's foreign policy should be shaped by the interplay between diplomatic, political, security, environmental, economic and regional dynamics that define international relations. The plan envisions the country positioning itself as one of Africa's powerhouses, leading development and growth on the continent; and deepening integration with the Brazil-Russia-India-China-South Africa (BRICS) group of countries.

There has been a clear and deliberate move to ensure there is a link between the activities of the Department and the implementation of Chapter 7 of the NDP Vision 2030. The NDP underscores the importance of building a nation that contributes to the prosperity of the southern Africa region, the African continent and the betterment of the lives of the marginalised throughout the world.

¹Annual Performance Plan 2024/25, Department of International Relations and Cooperation

The NDP further requires that South Africa build a resilient economy which would contribute towards creating a working nation, to narrow and eventually eliminate the gap between the rich and poor. The Department recognises that the national priorities as contained in the NDP are inextricably linked to the aspirations of the African continent. Hence, economic diplomacy would be used to promote the country as a trade and investment destination, thereby attracting foreign investment and boosting its tourism sector².

The aspirations of the NDP have also found expression in the Southern Africa Development Community (SADC)'s development mechanism, the Revised Regional Indicative Strategic Development Plan (RISDP). These aspirations are also found in the continental programme as encapsulated in the African Union's (AU) Agenda 2063 Vision, and in the UN 2030 Agenda on Sustainable Development Goals. The economic development integration of SADC remains a key focus area³.

3.2 Planned policy initiatives

The Department intends to enhance its operational capacity in the following key area in the medium term⁴:

1. The revival of the Partnership Fund for Development Bill. The Partnership Fund for Development Bill aimed at repealing the African Renaissance and International Cooperation Fund Act 51 of 2000
2. Organisational Review Implementation
3. Implementation of the Foreign Service Act

4. Legislative mandates of the Department

² National Development Plan 2030, Chapter 7 thereof

³ Annual Performance Plan 2024/25 of the Department of International Relations and Cooperation

⁴ Annual Performance Plan 2024/25 of the Department of International Relations and Cooperation

According to the Strategic Plan 2020-2025, the Department is further responsible for regulation and implementation under the following Acts⁵:

- *The African Renaissance and International Cooperation Fund (ARF) Act, 2001 (Act 51 of 2001)*: The Act establishes the Fund to enhance cooperation between the South Africa and other countries, in particular, African countries. This is achieved through the promotion of democracy, good governance, the prevention and resolution of conflict, socio-economic development and integration, humanitarian assistance and human resource development.
- *The Foreign States Immunities Act, 1981 (Act 87 of 1981)*: This Act regulates the extent of the immunity of foreign states from the jurisdiction of courts of the Republic and provides for matters connected therewith.
- *The Diplomatic Immunities and Privileges Act, 2001 (Act 37 of 2001)*: This Act provides for the immunities and privileges of diplomatic missions and consular posts and their members, heads of state, special envoys and certain representatives of the United Nations and its specialized agencies, and other international organizations and of certain other people. Provision is also made for immunities and privileges pertaining to international conferences and meetings held in South Africa.
- *The Measures and Guidelines for Enhanced Coordination of South Africa's International Engagements* and its annexures, approved by Cabinet in 2009, establish more effective measures and mechanisms to coordinate the conduct of international relations and the implementation of South Africa's foreign policy.
- *The White Paper on Foreign Policy*, approved by Cabinet in 2011, assesses South Africa's foreign policy against the rising expectations of the critical role of foreign policy to meet domestic priorities.
- Foreign Service Dispensation (FSD) is implemented in terms of the provisions of Section 3(3) (c) of the Public Service Act, 1994 (Act 103 of 1994), as amended, and is applicable to designated

⁵ Strategic Plan 2020-2025, Department of International Relations and Cooperation

employees who serve in a foreign country at a South African mission abroad and fall within the scope of the Public Service Coordinating Bargaining Council.

The Department is also a custodian of international agreements (bilateral and multilateral) concluded by the Republic in terms of relevant constitutional provisions (sections 231(2) and 231(3) of the Constitution.

5. Strategic outlook in the Strategic Plan 2020-2025

5.1. Strategic focus areas

The Department is committed to continue to focus and deliver on the following strategic areas in the 2024/25 financial year:

5.1.1 Building a better South Africa The Department has put emphasis on the centrality of Africa as the centrepiece of South Africa's Foreign Policy. As South Africa's foreign policy implementation is guided and shaped by its national interest, South Africa will continue to utilise high-level multilateral and bilateral meetings to advance the national interest. With a strengthened focus on economic diplomacy, and in order to contribute to the Economic Reconstruction and Recovery Plan, the Department would continue to focus on the objectives in line with the MTSF 2019-2024 in order to increase Foreign Direct Investment (FDI) into South Africa and Africa; improve South African access to foreign markets; contribute to increased tourism arrivals to South Africa; and improve investor confidence.

5.1.2 Building a better Africa

At the core of this focus, is South Africa's Pan-Africanist vision of unity, solidarity and a common African destiny. Africa remains at the centre of South Africa's foreign policy trajectory. Cognisant of the intrinsic link between South Africa's national interest and Africa's stability, unity and prosperity, the country has placed the advancement of the African Agenda at the centre of its foreign

policy and has had considerable success in promoting the interests of Africa in different fora⁶. South Africa remains a relevant and significant player in issues relating to the regional agenda. This role is played both through bilateral and multilateral platforms. The ability to contribute to humanitarian relief efforts and peace and mediation initiatives, places the country in a strategic position of influence⁷.

Against this focus in Africa, the Department therefore considered it important that there should be a continuity in the focus areas identified for 2020-25. South Africa is committed to a united and politically cohesive continent that works towards shared prosperity and sustainable development. The focus would also be on enhanced regional integration with increased and balanced trade within SADC and on the Continent, by supporting the creation of the African Continental Free Trade Area. The Department would support the promotion of greater peace, security and stability on the continent; and to using South Africa's membership and engagements in various international fora to advance the African Agenda.

The APP provides that South Africa remains a relevant and significant player in issues relating to the regional agenda. This role is played both through bilateral and multilateral platforms⁸. It has been argued that the ability to contribute to humanitarian relief efforts, peace and mediation initiatives, positions the country in a strategic pole position of influence⁹.

5.1.3 Building a better world

South Africa's engagement in the UN is based on its commitment to promote an equitable rules-based multilateral system. It is informed by the recognition that the UN does not reflect current global political and economic realities. South Africa would continue to advocate for the reform of

⁶ Annual Performance Plan 2024/25, Department of International Relations and Cooperation

⁷ Ibid

⁸ Annual Performance Plan 2024/25, Department of International Relations and Cooperation

⁹ Ibid

global governance institutions, as well as promote participation in selected multilateral fora outside the UN system as a force multiplier for the overall strengthening of multilateralism¹⁰.

South Africa's engagement in the UN would continue to pursue active participation in institutions of global governance. It would continue to support peace, security and development Agenda; while continuing to participate in South-South Cooperation; and Cooperation with the countries of the North. In line with South Africa's foreign policy, the Department would continue to advocate for the reform of global governance institutions.

5.1.4 Building a better DIRCO

In striving for the excellent execution of South Africa's foreign policy, operating in a complex global environment, the department has to adhere to government-wide regulations in a manner that complements and adds value to DIRCO's primary mandate, namely, to utilize the department and its expertise to achieve South Africa's foreign policy strategic objectives.

To this end, the Department will continue to focus on developing a capable and ethical workforce. It would also rebuild an organisational culture guided by a shared vision and new values, while focusing on the review the Organisational Structure. The Department would endeavour to implement effective financial management through the application of good financial management systems, including management accounting, financial accounting, supply chain management and risk and internal controls in line with the requirements of the Public Finance Management Act, 1999. The Department would also prioritise the implementation of efficient and secure information and communication technology infrastructure and systems and implement the digital strategy.

6. Budget allocation for programmes of the Department

Table 1 Budget Allocation-Vote 6: International Relations and Cooperation 2024/25

¹⁰ Estimates of National Expenditure 2024, National Treasury

Programme (R million)	2023/24	2024/25
	1: Administration	1 687 068
2: International Relations	3 386 774	3 295 189
3: International Cooperation	592 985	582 106
4: Public Diplomacy & Protocol	361 955	255 141
5: International Transfers	881 854	856 359
Total	6 910 636	6 566 231

Source: 2024/25 Annual Performance Plan of the Department of International Relations and Cooperation

The Department is allocated a budget of R 6.6 billion which decreased by an average of 5 per cent compared to 2023/24 Adjusted budget of R6.9 billion. The decrease is primarily attributable to budget cut of R425.984 million that was implemented for 2024/25 financial year. The implications of these budget cuts affect the Department's operational capacities and its ability to effectively discharge its mandate.

Compensation of employees (CoE) budget remains a challenge as the Department largely relies on its personnel to perform its functions, compensation of employees is its main cost driver, accounting for an estimated 48 per cent of the Department's total budget. The CoE ceiling that has been set is not sufficient to cover the salary bill of filled positions in the Department as well as most critical vacant critical positions.

In addition, the department's spending is largely affected by the exchange rate fluctuation of main currencies as well as local currencies as 60% of the department's budget allocation is spent abroad. Engagements with National Treasury on addressing exchange rate fluctuation challenge are ongoing. The Department would continue to transfer payments, which arise from obligations undertaken by South Africa at international, regional and subregional multilateral levels, and to its entity, the African Renaissance Fund¹¹. The MTSF (2019 – 2024) requires that South Africa contributes to a better South Africa and better region and to secure the advancement of South Africa's national interest. This could only be realised through the payment of South African contributions to international organisations in full and on time.

7. The African Renaissance and International Cooperation Fund (ARF)

The Department has one entity, the African Renaissance and International Cooperation Fund (ARF). After 1994, the democratic government took a deliberate decision to establish a Fund, to promote development assistance and consolidate peace and reconstruction in Africa. The African

¹¹ Estimates of National Expenditure 2024, National Treasury

Renaissance and International Cooperation Fund was thus established in 2000 pursuant to an Act of Parliament, the African Renaissance and International Cooperation Fund Act (Act 51 of 2000). The fund's mandate is to enhance cooperation between South Africa and other countries, particularly African countries¹².

The ARF continues to be an invaluable 'soft power' instrument in pursuit of the priorities identified in the MTSF. As foreign policy is an extension of national priorities, the ARF would contribute to the seventh priority of "A Better Africa and World" through "enhancing cooperation between the Republic and other countries, in particular African countries, through the promotion of democracy, good governance, the prevention and resolution of conflict, socio-economic development and integration, humanitarian assistance and human resource development".

7.1 Annual Performance Plan 2024/25 of the African Renaissance Fund

The ARF remains and continues to be an invaluable instrument in supporting South African Foreign Policy. In line with our foreign policy, the ARF remains an important tool that seeks to enhance development assistance and cooperation with a dedicated focus on the realisation of the African Agenda. The ARF is committed to promoting South Africa's national interests and values, and the creation of a better world for all.

The Annual Performance Plan 2024 – 2025 focusses on humanitarian assistance, capacity building through human resource development, resolution of conflict through dialogue as well as socio-economic development. Conversely, socio-economic development is necessary for the objective of addressing the root causes of conflict and instability. Through the provision of humanitarian assistance, South Africa would continue to contribute to the saving of lives, alleviating suffering and maintaining human dignity following conflict, shocks and natural disasters.

¹² Strategic Plan 2020-2025, African Renaissance Fund

Over the past five years, the Fund has responded to demands necessitated by natural factors, socio-economic trends and political imperative. Due to climate change, sub-Saharan Africa experienced unprecedented hazards, including cyclones, resulting in devastating floods. In response to that, ARF allocations went to humanitarian assistance-related support and direct bilateral cooperation with other countries, in particular African countries. The ARF continued to consolidate its contribution to democracy and good governance, conflict resolution as well as capacity-building through diplomatic channels.

7.2 ARF budget allocation for 2024/25 financial year

The ARF budget allocations over the Medium-Term Expenditure Framework total R165,6 million, while the budget allocation for the 2024/25 is R52,1 million. As a result, the ARF would implement the 2024/25 Annual Performance Plan in a constrained fiscal environment. The fund would therefore be more strategic in how it allocates its resources for each of its strategic objectives annually, in order to realise maximum impact. Projects would be prioritized as per available funding for the financial year.

The fund will continue to support projects that enhance cooperation with other countries through African trade, socio economic development and integration, humanitarian assistance as well as capacity building through human resource development. Furthermore it will continue to impact knowledge through capacity building initiatives where knowledge and practical skills will be transferred to countries in need.

8. Findings by the Committee

8.1 The budget allocation of R6.6 billion has decreased by an average of five percent compared to the 2023/24 adjusted budget of R6.9 billion. The decrease is attributable to a budget cut of R426 million for the 2024/25 financial year. The reduced budget impact on the Department's operational capacities and its ability to discharge its mandate effectively. Clarity was sought on how the budget cuts impacted on the implementation of the African Continental Free Trade Area (AfCFTA) by South Africa. The Department's spending is largely affected by the exchange rate fluctuation of main currencies as well as local currencies as 60 per cent of the Department's budget is allocation is spent

abroad. It was noted that there were on-going engagements with National Treasury to address the exchange rate fluctuation dilemma. The Department was advised to share its motivation to Treasury for an upward budget adjustment to meet international obligations and it was also stressed the importance of securing a guarantee that the 2025-26 budget would accommodate the Department's request, even if not fully. The Committee felt the matter was urgent and needed a comprehensive approach to gain a lasting solution.

8.2 The Committee noted that the compensation of employees (CoEs) budget remained constrained. The budget is therefore lower than the number of current employees in the Department. It has been difficult for the Department to fill vacant posts; these vacancies have been aggravated by an aging workforce resulting in natural attrition. Clarity was sought on whether the Department had a mitigating strategy to navigate the Compensation of employees' shortages in order to remain within the stipulated ceiling by the National Treasury.

8.3 It was observed that a decision which was supported by Parliament to close the South Africa's Embassy in Israel has not yet been implemented. Clarity was sought as to the timeframes for the implementation of such a recommendation by Parliament, and more information be provided for progress made thus far on the matter.

8.4 It was observed that the targets advanced by the Public Diplomacy programme were far too low and not aligned to the budget allocation, for adequate reach to the majority of ordinary citizens eager to acquire knowledge on the impact of service delivery from foreign policy activities.

8.5 It was noted that the Department is now the custodian of state-owned properties abroad, resulting from the Foreign Serve Act 2019. The value of these state-owned properties was sought and how the properties could be utilised to reduce the rental costs in the missions. The Committee asked on the correct number of South Africa's mission abroad for purposes of oversight planning.

8.6 The Committee raised concerns on the ad-hoc contract for the transportation of the diplomatic work and suggested a regular contract be in place.

8.7 The Department indicated its agility to international developments, in terms of conflict resolution, the Committee asked whether the Department has a proactive strategy to address the developments in the Sahel region, and steps taken by South Africa to contribute to a lasting solution that part of Africa. Furthermore, the role of African Union political institutions like the Pan African Parliament and Southern African Development Community (SADC) in conflict resolution in the continent. It was further sought how South Africa was responding to the conflict in the Sudan, which was increasingly escalating.

8.8 The Committee has noted that under Programme 1: ‘Provide leadership, management and support services to the Department’, there would be quarterly progress reports on the implementation of the predetermined objectives under this programme. These reports would include progress on the implementation of the digital strategy; service delivery relating to training on UN/AU languages; outreach initiatives to advance gender equality and women’s empowerment through gender mainstreaming; youth development and empowerment; and mainstreaming rights of persons with disabilities. Furthermore, clarity was sought on how the Department extends diplomatic training to both external and internal beneficiaries, especially the youth. The Committee would like to regularly receive these reports for oversight scrutiny and accountability.

8.9 Under Programmes 2 and 3, there would also be quarterly reports covering the Foreign Policy activities of the Department and Missions abroad. The Committee’s view was that these reports should also show how these bilateral and multilateral activities, translate into economic reciprocation for South Africa. Furthermore, the Committee wished to receive and would utilise these reports to assess the impact of South Africa’s participation on the outcomes of these bilateral and multilateral engagements.

8.10 It was observed that the way the APP was structured, was not necessarily aligned to the budget in that it does not unpack strategic objectives being funded for Members to see where the funds will be spent. It was said in the future this should be addressed for both the Department’s and the ARF objectives.

8.11 The Department's international property portfolio comprises 163 state-owned properties and more than 1000 rented properties, resulting in high rental costs with annual escalations. The Committee observed that in order to reduce its rental portfolio and the associated operational costs, the Department should consider a model which would allow for acquiring instead of leasing residential and office accommodation for Missions abroad.

8.12 The Members requested the report of the SADC Observer Mission on the election in Zimbabwe and on the future election observer missions that South Africa participates and are funded from Funds from the ARF. More information was sought on the the irregular purchase of land in New York, and the integration of the African Renaissance Fund with peacekeeping missions in Africa. Concerns were raised about the purpose and benefits of expenditure from the African Renaissance Fund in other nations outside of the continent.

.12 It was noted that the funds on subsistence allowances and international travel, have been reduced due to budget restrictions. Clarity was sought if it was possible to reallocate the savings to other costs centers such as compensation of employees.

9. Responses by the Department

9.1 The Department presented the baseline figures and compares the department's social media following with other foreign ministries, emphasizing South Africa's success in attracting numbers on social media. The Department also mentioned the unique public participation program that simplifies and takes foreign policy to the masses and rural areas in South Africa.

9.2 The Department elaborated on South Africa's involvement in the African free trade area and the importance of inter-African trade. He also addresses the potential closure of missions and the impact it would have on South Africa's global diplomatic footprint and economic diplomacy efforts.

9.3 The Department provided insights into South Africa's efforts in Sudan, emphasizing meetings with Sudanese leaders and support for peace initiatives. The Department also addressed the issue of unconstitutional changes of government in Africa and South Africa's active involvement in peace and security efforts on the continent, including the deployment of special envoys and support for peace agreements in countries like South Sudan and the DRC.

9.4 The Department made commitment to provide the Portfolio Committee with the following:

- The Department will provide a detailed report on the African Renaissance Fund and the impact of budget cuts on humanitarian assistance.
- The Department will provide a detailed report on the allocated budget and plans to strive to achieve objectives within the allocated budget.
- The Department will provide a detailed report on the position and progress on the closure of the Israel Embassy.
- The Department will provide a detailed report on the impact of budget cuts on diplomatic missions and foreign relations.
- The Department will provide a detailed report on the historical spend as it pertains to BRICS and the AFCFTA.

10. Conclusions

After discussions during the briefing, the Committee concluded as follows:

The Department has received an increased budget for financial year 2024/25. The budget would still be further affected by the imminent foreign exchange currency fluctuations and unavoidable mandates and responsibilities in its diplomatic intercourse and conduct of international relations. Its main operations abroad have previously been affected by currency fluctuations.

However, the Committee was encouraged by the Department's commitment and resolve to achieve its strategic objectives albeit with budgetary constraints. A clean audit should be the Department's

goal for the medium term; and it should implement the audit action plan and adhere to the cost containment measures it has agreed to with the National Treasury.

The Department has to carry out its mandate within unpredictable, at times turbulent, external environment to advance South Africa's national interest. It is becoming evident that there are shifts within the international environment, which in turn impact on the traditional alliances that South Africa had. The Department would have to re-evaluate some of its assumptions and adapt to the shifting international political landscape in order to remain relevant and pursue national interest with like-minded partners. The National Development Plan prescribed that the Department should position itself to assume greater leadership role in Africa, leading development and growth in the continent.

The interplay between foreign policy and national interest continue to be the baseline for the Department's success in the conduct South Africa's foreign policy. Following from the above conclusions, it has, therefore, become important for the Department to have continued with clear and focus driven plans which remain aligned to the budget allocated, and the continued vigour to respond to the domestic challenges as per the aspirations of the NDP.

The Committee has observed that participation in SADC election observer missions and supporting the projects that would operationalise the AfCFTA, directly speak to South Africa's Foreign Policy aspirations on regional and continental agendas.

The Committee will continue its trend of a robust approach to oversight over the activities of the Department, South Africa's Missions abroad and the entity, and the African Renaissance Fund, despite challenges posed by the Oversight Model of Parliament. More of oversight visits to the ARF project area would follow. The Committee would also engage in various issues aimed at enhancing the conduct of South Africa's foreign policy.

The Committee would continue to make a number of recommendations to the Department, as part of its oversight, and in an effort to enhance the way South Africa relates and engages in international relations.

11. Recommendations

Having considered the Strategic Plan 2020-2025 and the Budget Vote 6 of the Department 2024/25 and its entity, the Committee recommends that the Minister should consider the following and report on progress within three months of adoption by the National Assembly of this report:

11.1 Conduct a full assessment of the effect of budget cuts on the operations of the ARF its predetermined objectives, and planned service delivery.

11.2 Finalise the implementation plan for the Foreign Service Act 2019 and relevant processes as a precursor for the promulgation of the Foreign Service Act 2019 to come into force.

11.3 Oversee the implementation of effective financial management through the application of sound financial management systems, including management and financial accounting, as well as supply chain management

11.4 Improve the internal control environment in line with the requirements of the Public Finance Management Act, 1999.

11.5 Ensure that a property management strategy is developed as a guiding framework for the custodianship of the property portfolio, in line with the Foreign Service Act.

11.6 Develop an implementation plan with timeframes, in order to determine the course of action needed for all state-owned land parcels and properties abroad.

11.7 Streamline processes with a specific emphasis on improving digital environment through the implementation of the Digital Strategy with set timeframes.

11.8 Consider a model which would allow for acquiring instead of leasing residential and office accommodation for Missions abroad, to minimise costs due to the escalations on contractual obligations for the leases of offices and residential accommodation.

11.9 Consider mainstreaming youth development in the work of the Department to effect positive outcomes among young people at local, provincial and national levels in South Africa.yyy

11.10 Revise the strategy for South Africa's participation in BRICS, and garner support to tackle possible threats on cohesion within the geopolitical forum, and ensure its continued relevance in advancing South Africa's national interest and the African Agenda 2063.

11.11 Monitor and coordinate South Africa's progress on the implementation of the Regional Indicative Strategic Development Plan (RISDP) projects, to facilitate regional integration.

11.12 Devise short- and long-term plans to address the issue of compensation of employees, in consultation with National Treasury, to optimise the current staff establishment to maximise delivery on its ever-increasing mandate. Address the real root cause of challenges with maintaining the cost within a stipulated budget ceiling.

11.13 Conduct an assessment whether the cost-reduction initiatives through closure of some South African Missions abroad, bear the intended impact on the challenges brought about by the ceiling on compensation of employees. The reduction should not disadvantage the African continent.

11.14 Expedite review of the organisational structure to, among others, separate the Finance branch from property management and all other non-financial units.

11.15 Conduct an impact assessment on the work of the African Renaissance Fund, with details of how the disbursement of funds from the ARF contributes to South Africa's development cooperation agenda.

To the National Assembly

11.16 The Parliamentary Oversight Model must be reviewed to allow the Portfolio Committee on International Relations and Cooperation to have more regular oversight visits to South African Missions abroad, in order to have a holistic approach on the performance abroad of the Department of International Relations and Cooperation. Being mindful that cost considerations may not allow oversight visits to all the South African Missions abroad, the Portfolio Committee has adapted to the new normal, and has conducted a novel oversight visit, virtually. It is the hope of the Committee that Parliament will embrace this innovation into Oversight and Accountability Model.

11.17 The Parliamentary Oversight Model should allow the Portfolio Committee on International Relations and Cooperation to have more regular oversight visits to project areas of the African Renaissance and International Cooperation Fund (ARF), in order to have a holistic approach on the performance abroad of the entity of the Department of International Relations and Cooperation.

11.18 The Portfolio Committee should be allowed to conduct oversight visits to international organisations that the Republic of South Africa is a state-party. This would enable the Committee to assess the impact of the Department's participation on the overall outcomes at such forums.

11.19 The Committee recommends that Budget Vote 6: International Relations and Cooperation 2024/25 be passed.

Report to be considered.

8. REPORT OF THE PORTFOLIO COMMITTEE ON PLANNING, MONITORING AND EVALUATION ON THE ANNUAL PERFORMANCE PLANS (APPS) 2024/25 AND THE BUDGET VOTE 9 OF THE DEPARTMENT OF PLANNING, MONITORING AND EVALUATION, DATED 10 JULY 2024

1. BACKGROUND

The Portfolio Committee on Planning, Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Department of Planning, Monitoring and Evaluation (DPME) and Brand South Africa tabled by the Minister in the Presidency for Planning Monitoring and Evaluation in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

2. INTRODUCTION

Parliament plays an important role in overseeing planning and performance of government departments and public entities as well as Chapter 9 and 10 institutions. The Public Finance Management Act, No 1 of 1999, section 27 stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. Subsequent to that the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009, section 10 (1) (c) clearly stipulates that the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the strategic and annual performance plans, the Committee ensured that the plans and budget allocations of the Department of Planning, Monitoring and Evaluation and Brand South Africa are in line with Medium Term Strategic Plan 2019/24. Budget allocation serves as a key instrument for government to promote socio-economic development. It also plays a critical role as an economic instrument of the government to reflect on the country's socio-economic policy priorities by translating priorities and political commitments into expenditures. The Budget serves as a vital tool to operationalise government activities towards

the achievement of its intended priorities. Furthermore, the Budget highlights the constraints and trade-offs in policy choices.

On the 09th of July 2024, the Committee considered presentations on the Annual Performance Plans and the budget allocations of the Department of Planning, Monitoring and Evaluation and Brand South Africa. This report summarises the presentations received from the Department of Planning, Monitoring and Evaluation and Brand South Africa, focusing on the 2019/24 Strategic Plans, the 2024/25 Annual Performance Plans, and the Budgets as well as allocations over the MTEF.

3. OVERVIEW OF THE DEPARTMENT OF PLANNING MONITORING AND EVALUATION

The Department of Planning, Monitoring and Evaluation plays a direct, guiding role in government's long-term planning, strategic planning and annual performance planning. This role requires providing evidence-based input on crosscutting issues that have long-term implications for development. The Department's role is to lead the development of the National Development Plan's (NDP) Five-Year Implementation Plan to provide a medium-term roadmap, which will inform the basis for developing Five-Year departmental plans that will guide the realisation of the NDP priorities. Development of NDP Five-Year Implementation Plan will serve as a monitoring framework linked to the Programme of Action reporting system.

The purpose of the NDP Five-Year Implementation Plan is to advance and guide medium and short-term planning that is responsive to the attainment of the NDP priorities leading to 2030. The NDP Five-Year Implementation Plan will allow for the coordination and alignment of priorities across the spheres of government and non-government stakeholders and assist in integrating all components of national development into mainstream planning processes.

4. LEGISLATIVE MANDATE

The mandate of the Department derived from Section 85(2) of the Constitution of the Republic of South Africa which stipulate that "the President exercises the executive authority, together with the other members of the Cabinet, by (b) developing and implementing national policy and (c) coordinating the functions of state departments and administration. Based on the Constitutional mandate embedded in section 85(2), the following are the key mandates of the DPME:

- Supporting the National Planning Commission.
- Facilitating the implementation of the National Development Plan (NDP) through the development of sector specific and outcome-specific medium-term plans and delivery agreements, and monitoring and evaluating the implementation of these plans.
- Ensuring the alignment of departmental strategic and annual plans and budget allocations with government's medium-term strategic framework.
- Monitoring the performance of individual national and provincial government departments and municipalities and facilitating targeted intervention programmes.
- Monitoring frontline service delivery and managing the Presidential Hotline.
- Developing and implementing the annual national evaluations plan and supporting the national evaluations system; and
- Promoting good planning, monitoring and evaluation practices in government.

5. OVERVIEW OF THE 2024/2025 FINANCIAL YEAR

The Department has the following activities planned for 2024/25:

5.1 Reviewing the NDP

The NDP was adopted as a guide to achieving South Africa's goals, broadly in terms of socioeconomic development, and specifically in terms of eliminating poverty, creating jobs and reducing inequality by 2030. The National Planning Commission (NPC) was tasked with reviewing some aspects of the NDP to address certain implementation challenges. Over the medium term, this review is expected to assess the capacity and capability of the State in measuring the implementation of the NDP. Related activities are set to be carried out in the *Management: National Planning Coordination* sub-programme in the *National Planning Coordination* programme.

5.2 Revised Medium Term Strategic Framework

The MTSF is a critical component of the National Planning System and provides the platform for the NDP's implementation and the translation of national priorities into the budget framework as well as sectoral and institutional plans. The MTSF was approved by Cabinet in October 2019. It was officially launched with the SONA for implementation in June 2020. The central objective of the MTSF is to achieve a better life for all South Africans by addressing

the triple challenges of unemployment, inequalities and poverty and focus on thematic government priorities:

- Priority 1: A Capable, Ethical and Developmental State
- Priority 2: Economic Transformation and Job Creation
- Priority 3: Education, Skills and Health
- Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 5: Spatial Integration, Human Settlements and Local Government
- Priority 6: Social Cohesion and Safe Communities
- Priority 7: A better Africa and the World

5.3 Improving and strengthening government planning and coordination

The Department is mandated to improve and strengthen government's planning and coordination. This involves ensuring the implementation of government's medium-term strategic framework, which is implemented in five-year cycles to allow for revisions and serves as a roadmap for achieving goals linked to NDP outcomes; and conducting assessments of national departments' draft strategic and annual performance plans to ensure alignment with the medium-term strategic framework and the NDP. In this regard, in each year over the medium term, the Department expects to produce 47 assessment reports. Based on the outcomes of these assessments, the Department will, in consultation with the National Treasury, identify delivery priorities for the funding of national departments. Related activities are carried out in the *Planning Coordination* sub-programme in the *National Planning Coordination* programme.

5.4 Supporting implementation of short-term and medium-term goals

Tracking the performance of the short-term and medium-term goals of Government's 2019-2024 medium-term strategic framework is a core function of the Department. Accordingly, over the MTEF period, the Department will engage national and provincial departments, government agencies and key state-owned entities to assess their implementation of the priorities and indicators of the medium-term strategic framework, and identify performance

gaps and interventions to address underperformance. In this regard, the Department plans to produce two reports per year over the medium term for submission to Cabinet.

5.5 Monitoring and supporting implementation

Over the medium term, Government's 2020-2024 medium-term strategic framework will form the basis of using the Programme of Action monitoring system, which will identify critical actions to be taken by government towards achieving the NDP's vision while enabling direct links between the NDP, and departmental strategic and annual performance plans. Through the programme of action monitoring system, the Department will report to Cabinet bi-annually regarding the implementation of Government's 2020-2024 Medium-Term Strategic Framework.

These activities are carried out in the Outcomes Monitoring and Support sub-programme in the Sector Monitoring Services programme. Due to a growing demand from parliamentary committees and Cabinet, over the medium term, the Department plans to intervene and support the implementation of government policies and programmes at various levels of the service delivery value chain, particularly in provinces placed under administration and in areas of social unrest. Also, the Department will fast-track the implementation of government policies and programmes in critical development issues through Operation Phakisa Monitoring Services programme.

5.6 Developing intervention programmes to support service delivery

The Department plans to produce two reports per year over the MTEF period to monitor the impact of policy priorities in relation to actual service delivery through various frontline monitoring programmes, including targeted site visits, citizen-based monitoring and the Presidential Hotline. To enhance capacity over the medium term, the Department plans to assess the performance of government departments, agencies, state-owned enterprises and local government. This will include the development of a new monitoring model to replace the management performance assessment tool and support the annual development and assessment of performance agreements of Heads of Department. These activities will be carried out in the *Public Service Monitoring and Capacity Development* sub-programme in the *Public Sector Monitoring and Capacity Development* programme.

5.7 MTSF and the District Development Model

Localisation of the MTSF should take place by ensuring that all departments (national and provincial) are submitting details on the geospatial location of their projects and interventions on an ongoing basis. This will also include the cascading of and localisation of MTSF interventions within the local government sphere in Metropolitan and District Municipalities. The localisation of the MTSF is centred on embedding an iterative process that is both top down and bottom up across the spheres towards cumulative contribution towards achieving the targets of the MTSF and attaining the desired outcomes and impacts of the MTSF.

5.8 Conducting research and evaluations

The Department's ongoing focus is on maximising the use of its evaluations and research to generate rapid and relevant evidence to inform planning and monitoring, and appropriate interventions. As such, over the medium term, the Department plans to work towards improving research and knowledge, and maintain evidence-based policy development, planning, implementation and monitoring by providing support for data management. This will be achieved by developing and monitoring the implementation of a national evaluation plan and conducting evaluations and research to support the planning and monitoring activities of the *National Planning Coordination* and *Sector Monitoring Services* programmes. Accordingly, in each year over the medium term, the Department plans to produce ten evidence reports on indicators related to evaluations, and research and development.

6. BUDGET ALLOCATION

The Department of Planning, Monitoring and Evaluation's overall budget allocation in 2024/25 financial year is R450.2 million, which is a decrease as compared to R465.5 million allocated in 2023/24 financial year. This represents a decrease of -2.07 per cent in nominal terms. However, in real terms the total budget for the Department decreased by only -6.46 per cent between 2023/24 and 2024/25 financial years. The Department solely relies on its personnel to drive its mandate. The spending focus of the Department over the medium term will be on compensation of employees' accounts for an estimated 72.7 per cent (R1.1 billion) of the total budget over the medium term.

The Department will focus on supporting the implementation of the NDP, coordinating planning programmes across government, and monitoring and evaluation to support the implementation of government programmes and priorities. The Department facilitates the implementation of the NDP across Government. The work will be facilitated by the Commission's Secretariat through an allocation of R119.4 million over the medium term in the National Planning Coordination programme.

In improving and strengthening integrated planning across government, the Department convenes various planning forums that provide strategic leadership and enhance coherence across the spheres of government. Key among these forums is the national steering committee on integrated planning, which is a platform for engagements, consultations and communication between the Department, other national departments and provincial departments. The budget under the Department plans to improve systematic spatialisation of the planning system to ensure sustained spatial transformation in the country. The Department will support other departments in all spheres of government in analysing spatial trends and dynamics.

In general, the Department's budget has slightly decreased in 2024/25 financial year as compared to the 2023/24 financial year. Only two programmes have received significant budget increases. Three programmes which are Administration, National Planning Coordination and Evidence and Knowledge Systems had a decrease of their budget allocations. The Department's staff composition is 59.6% women, 50% youth and 2.2% people with disability. Women in senior management position accounts for 52.4% of the staff complement.

Table 1: Budget per programme

Programme	Budget				Nominal	Real	Nominal	Real %
	2023/24	2024/25	2025/26	2026/27	Rand change	Rand change	% change	change
R million	2023/24	2024/25	2025/26	2026/27	2023/24-2024/25	2023/24-2024/25		
Programme 1: Administration	197.4	190.9	199.7	211.1	- 6.5	- 15.1	-3.29 per cent	-7.63 per cent
Programme 2: National Planning Coordination	80.0	74.4	77.8	81.8	- 5.6	- 8.9	-7.00 per cent	-11.17 per cent
Programme 3: Sector Monitoring Services	61.1	67.3	70.2	73.8	6.2	3.2	10.15 per cent	5.20 per cent

Programme 4: Public Sector Monitoring and Capacity Development	81.2	80.1	83.7	88.1	- 1.1	- 4.7	-1.35 per cent	-5.78 per cent
Programme 5: Evidence and Knowledge Systems	39.9	37.4	38.9	40.6	- 2.5	- 4.2	-6.27 per cent	-10.47 per cent
TOTAL	459.6	450.1	470.3	495.4	- 9.5	- 29.7	-2.07 per cent	-6.46 per cent

Source: Estimates of National Expenditure 2024

7. PROGRAMME PERFORMANCE

The Department has five programmes, which are as follows:

7.1. Programme 1: Administration

The main objective of the programme is to provide strategic leadership, management, administrative, financial and human resource services to enable the Department to achieve its strategic and operational goals. The Programme's key focus is to implement revised organisational structure and recruitment of key personnel, improve the quality of performance information, maintain good financial management practices to sustain clean audit outcomes and strengthen communication around the National Development Plan.

The budget allocated for Programme is R190.9 million for 2024/25 financial year as compared to R197.4 million in 2023/24 financial year. This represents a slight decrease of -3.29 per cent in nominal change. However, in real terms the total budget for Programme 1 has decreased by only -7.63 per cent between 2023/24 and 2024/25 financial years.

The budget spending is directed towards ensuring 100% compliance of submission of financial interest by all designated employees within the specified time frames. In addition, the Programme plans to limit its vacancy rate within the prescribed requirement of 10% or less. The Department intends to ensure all valid invoices are paid within 30 working days on average. The Department intends to empower and procure from previously disadvantaged individuals by ensuring 40% of women, 30% of youth and 7% of people with disabilities are given business opportunities.

7.2. Programme 2: National Planning Coordination

The purpose of Programme 2 is to develop, implement planning frameworks, and facilitate the alignment of the planning and budgeting functions across government and in the Department.

The key objective of this Programme is to ensure the achievement of the NDP's objectives by 2030, through developing an annual budget prioritisation framework, embedding the national spatial development framework in the strategic and annual performance plans of national and provincial departments over the medium term.

The Programme further intends to coordinate planning functions across government by assessing the alignment of the strategic and annual performance plans of national and provincial departments and public entities with Government's 2019-2024 Medium-Term Strategic Framework annually. In addition, the Programme has to assess the alignment of provincial growth and development plans with local government's Integrated Development Plans and, in turn, with Government's 2019-2024 Medium-Term Strategic Framework annually.

The budget allocated for Programme is R74.4 million for 2024/25 financial year as compared to R80.0 million in the 2023/24 financial year. This represents a decrease of -7.00 per cent in nominal change. However, in real terms the total budget for Programme 2 has decreased by -11.17 per cent between 2023/24 and 2024/25 financial years.

The Programme will produce a report on the monitoring the National Development Plan Indicators and Targets, and also produce a synthesis report on all research projects to review and support implementation of the NDP. The Department intends to produce stakeholder engagements reports on the NDP implementation. In addition, the Department will produce the National Planning Commission Annual Report by June 2024. The programme under the National Planning Coordination intends to develop Budget Prioritisation Framework to ensure alignment of planning and budgeting processes.

Among the deliverables in this financial year is the development of the report on the resource consideration relating to the draft Medium Term Development Plan (MTDP) 2024-2029 and the MTBPS. The Branch will produce 39 assessments reports received from national institutions' strategic plans and annual performance plans. Furthermore, the Department will produce four assessments reports on strategic plans and APP received from provincial departments.

The Department will further produce guidelines for the national and provincial Quarterly Performance Reporting System (QPRS). The Department plans to develop a business case on the automation of the planning system. The Integrated Planning Framework Bill has been

outstanding for years without progress, so the Department is planning to submit the revised Bill for consideration by Cabinet and Parliament in the 2024/25 financial year. The Department will also produce a framework to guide the spatialisation of institutional planning. A medium-term plan for 2024-2029 will be finalised in line with the electoral mandate.

7.3. Programme 3: Sector Monitoring Services

The purpose of the Programme is to ensure government policy coherence. The Programme develops, facilitates, supports and monitors the implementation of sector plans and intervention strategies. The main objectives of the programme are to ensure the effective implementation of government's 2019-2024 Medium-Term Strategic Framework by monitoring the achievement of targets in priorities 1 to 5 and priority 7 and reporting on progress to Cabinet twice a year. Furthermore, it monitors and reports on the achievement of targets in the performance agreements between the President and Ministers annually, and supports, where and when required for the development and implementation of special intervention programmes.

The budget allocated for Programme 3 is R67.3 million for 2024/25 financial year as compared to R61.1 million in 2023/24 financial year. This represents an increase of 10.15 per cent in nominal change. However, in real terms the total budget for Programme 3 has increased by only 5.20 per cent between 2023/24 and 2024/25 financial years. The Programme will produce implementation monitoring reports on Government's 2019-2024 medium-term strategic framework. The Department will produce two integrated assessment reports on the implementation of the Operation Phakisa Delivery labs. The Programme intends to produce improvements plans concerning Local Government Management Self-Assessment. The Department will also finalise the development of Government Wide Intervention Support Strategy (which includes Early Warning System and rapid response) and Operation Phakisa Electronic System Tested.

7.4. Programme 4: Public Sector Monitoring and Capacity Development

The purpose of the Programme is to support the implementation of the Medium-Term Strategic Framework by monitoring and improving the capacity of state institutions to develop and implement plans, and provide services. The main objective of the Programme is to strengthen state governance, efficiency, effectiveness and equity through: monitoring the achievement of targets related to Priority 6 of Government's 2019-2024 Medium-Term Strategic Framework, and reporting on progress to Cabinet twice in a year. Furthermore, it develops and implements

the new performance and capabilities analytical framework by March 2021 by ensuring the alignment of performance agreements of Heads of Department with Government's 2019-2024 Medium-Term Strategic Framework. It will be supporting assessments conducted on Heads of Department annually. Also, the Programme monitors service delivery through regular frontline monitoring visits, citizen-based monitoring and the Presidential Hotline, and reporting thereon.

The budget allocated for Programme is R80.1 million for 2024/25 financial year as compared to R81.2 million in 2023/24 financial year. This represents a slight decrease by -1.35 per cent in nominal change. However, in real terms the total budget for Programme 4 has decreased by only -5.78 per cent between the 2022/23 and 2023/24 financial years.

The Programme intends to produce two status reports on the implementation of the Heads of Department Performance Management Development System. The Department will also produce two status reports with regard to the monitoring of national and provincial departments performance and capability. As part of the President commitments in monitoring the State-Owned Enterprises (SOEs), two SOEs performance report on the selected SOE contributing towards the MTSF, will be developed.

The Programme will produce two annual reports on the status of frontline service delivery monitoring. Furthermore, the budget will be used to generate evaluations on performance agreements for ministers and directors-general/heads of departments. The Department will produce two biannual reports on the MTSF on the institutionalisation of the National Anti-corruption Strategy (NACS). The Branch aims to produce four performance reports for the Presidential Hotline Performance. Moreover, eight reports will be produced for planning, monitoring and evaluation capacity development plan.

7.5. Programme 5: Evidence and Knowledge Systems

The purpose of the Programme is to coordinate and support the generation, collation, accessibility and timely use of quality evidence to support performance monitoring and evaluation across government. The main objective of the Programme is to support the planning and monitoring roles of the Department by developing and implementing the national evaluation plan annually, conducting research and evaluations in key policy areas as identified annually, and producing relevant evidence reports. It also improves knowledge management in the Department through the development and implementation of a departmental knowledge and evidence hub.

The budget allocated for Programme is R37.4 million for 2024/25 financial year as compared to R39.9 million in 2023/24 financial year. This represents a decrease of -6.27 per cent in nominal change. However, in real terms the total budget for Programme 5 has decreased by -10.47 per cent between 2023/24 and 2024/25 financial years. The Programme will produce integrated evidence reports in support of the country's developmental agenda. The Branch intends to produce report on technical evidence support, two research assignments and one development indicators. The Branch will also strengthen its methods for facilitating and tracking the uptake and implementation of recommendations from various evidence-based projects in order to improve utilisation rate of evidence in planning, implementation and monitoring of government priorities for improved quality of service delivery.

8. Brand South Africa

8.1 Legislative Mandate and Policy

The mandate informing Brand South Africa (BSA) is derived from the organisation's Trust Deed. BSA was established as a trust in 2002 and gazetted as a schedule 3A public entity in accordance with the PFMA No.1 of 1999. Brand South Africa is an entity tasked with delivering integrated Marketing, Communication, Reputation Management solutions and interventions as it markets the South African brand locally and abroad. Its purpose is to develop and implement a proactive and coordinated international marketing and communications strategy for South Africa; to contribute to job creation and poverty reduction; and to attract inward investment, trade and tourism.

BSA aims to make an indirect contribution to economic growth, job creation, poverty alleviation and social cohesion by encouraging local and foreign investment, tourism and trade through the promotion of Brand South Africa. In the next five years, BSA will continue to be the authority on the Nation Brand through development and implementation of proactive and coordinated marketing, communications and reputation management strategies. The entity will achieve this by developing and articulating a South Africa Nation Brand identity that will advance South Africa's long-term positive reputation and global competitiveness. Brand SA's Strategic Plan responds to changing domestic and international realities.

8.1.1 Brand SA objectives for 2024/25

- 1) Reshaping the national mood and harnessing societal goodwill through improving the National Brand positioning and brand reputation.

- 2) Promoting a better Africa and a better world.
- 3) Mobilising resources from outside of the fiscus.

Brand South Africa's main source of revenue is the Government Grant. Budget allocation of the Brand South Africa is transferred under the budget vote of the Government Communication Information System. Brand South Africa received a budget of R219.5 million for 2024/25 financial year. The budget remained the as in the 2023/24 financial year.

Brand South Africa finalised the Equity Analysis and is due to finalise a new Employment Equity Plan as the current two (2) year plan ends in quarter two of 2024/2025 financial period. The organisation has a 39.28% African male and a 51.79% African female representation. There is a 1.79% Coloured male, 3.57% Coloured female, and 3.57% Indian male representation, as well 0% White male and female representation within the organisation. Due to the partial upliftment of the moratorium, the organisational Employment Equity targets were not met. The organisation has a total of 91.07% Africans, and the majority is women. In terms of the 2% national target for people with disability, the organisation has achieved 1.79%.

8.2 Programme Performance

The BSA has three main programmes, namely:

(a) Programme 1: Administration

The Programme seeks to provide strategic leadership, management and support services to the core business functions of Brand South Africa and is overall responsible for ensuring sound governance, high performance and optimal utilization of available capital and resources.

The budget allocated for Programme 1 is R106.4 million for the 2024/25 financial year, which is the same allocation as the 2023/24 financial year. The budget will be spent on a number of activities, including the implementation of organisational corporate identity; reporting to Board of Trustees on status of policy governance; policy and procedures awareness workshop; 100% payment of valid invoices to suppliers within 30 days from date of receipt of invoice; and drafting and tabling of the Annual Performance Plan to the Executing Authority and in Parliament. Brand SA intends to submit four reports to the Board of Trustees on the applicable legislative framework.

(b) Programme 2: Brand, Marketing and Reputation Management

The Programme seeks to develop and articulate a Nation Brand identity that will advance South Africa's long-term reputation and global competitiveness. This includes a focus to research and monitoring sentiment and performance of the National Brand to analyse trends and providing insights to inform decision making and communication; and then to both proactively and reactively communicate the country's value proposition, values and highlight progress being made.

Programme 2 has been allocated a budget of R94.1 million in the 2024/25 financial year. Programme 2 is the core function of BSA. The budget will be spent on various activities, which include among others, marketing campaigns that illustrate the attractiveness of the National Brand to reach all domestic and international audiences; *Play Your Part* ambassador engagements supported, integrated reputation and communication activities implemented for strategic platforms domestically, constitutional awareness campaigns and global South Africans activities implemented in the key markets. Brand SA will analyse global reputation and competitiveness indices for National Brand performance monitoring and track South Africa's global reputation and brand familiarity. The budget will also be used for conducting research reference groups and communication pieces that globally position the country positively.

Furthermore, it will publish thought leadership pieces that position the country positively and content pieces aimed at domestic and international media to promote a positive narrative of the Nation Brand. Brand SA will review and respond to relevant issues impacting on the Nation Brand in line with the reputation management strategy. The entity plans to have *Play Your Part* ambassador engagements and four constitutional awareness campaigns.

(c) Programme 3: Stakeholder relationships

The Programme seeks to build and leverage collaborative partnerships, integrate and coordinate efforts and approaches to market the Nation Brand identity and promote the Nation's value proposition and to interface meaningfully with stakeholders who drive or influence the Nation Brand and its reputation.

The Programme has a budget allocation of R18.9 million for the 2024/25 financial year. The budget will be spent on the following activities: collaborative activities implemented with local and/or foreign public sector, civil, and business stakeholders domestically and collaborative

activities implemented targeted strategic markets aimed at positioning the country positively internationally.

9. OBSERVATIONS AND KEY FINDINGS

The Committee observed the following matters in relation to Budget Vote 9, to which the Department must give attention:

- 9.1 The Committee notes the Annual Performance Plans 2024/25 for the Department of Planning, Monitoring and Evaluation and of Brand South Africa. The Departmental APP provides a pragmatic framework in pursuit of vision of improving government outcomes and impact in society. The Department's APP places an emphasis on monitoring the previous SONA commitments and indicators encapsulated in the MTSF, among which is to accelerate economic recovery and implement structural economic reforms to create sustainable jobs.
- 9.2 The Committee notes that the Department developed the Policy Framework for Integrated Planning to improve institutionalisation and harmonisation in the planning system and contribute towards improved developed results. The Policy Framework and its implementation plan builds on progress made to institutionalising planning and seeks to address gaps such as fragmentation of planning, inadequate capabilities, and to improve coordination and modernise the planning system towards the achievement of better results. The policy framework will culminate into the finalisation of the Development Planning and Coordination Framework Bill to further improve inter-governmental planning processes. The Committee will oversee the implementation of the Policy with the aim of realising a much more well-coordinated planning, budgeting and decision-making process across the three spheres of government.
- 9.3 The Committee observes that the Department is yet to table the Development Planning and Coordination Framework Bill and that this Bill has been in the pipeline for a considerable period. The roadmap will assist Parliament in planning for the processing of the legislative reforms in advance.
- 9.4 The District Development Model (DDM) has been one of the interventions introduced by the Sixth Administration, as a new approach aimed at strengthening the integrated planning and development in order to fast track service delivery. The DDM was piloted

in various three districts in Limpopo, KwaZulu Natal and Eastern Cape provinces. However, no progress has been reported since the piloting.

- 9.5 The Department has over the past two years developed Monitoring and Evaluation Tool for the measurement of the District Development Model to determine the efficacy of the model with the aim of improving coherence and coordination across three spheres of government. The Committee notes that the Department has not communicated the results of the District Development Model Monitoring and Evaluation Tool to all relevant stakeholders in the service delivery chain across three spheres of government. In addition, the Committee raised issues about the misalignment between the National Development Plan-MTSF and DDM model. The Department has to account to the Committee on the alignment of the deliverables between NDP-MTSF and DDM model.
- 9.6 The Department was charged with the responsibility of ensuring the alignment of the Medium-Term Strategic Framework of the National Development Plan with the departmental strategic and annual performance plans. The Department scrutinises the plans on an annual basis prior to submission of the annual performance plans to Parliament. The Committee observes that all strategic and annual performance plans have to be subjected to scrutiny by the Department to ensure alignment. The Committee will also play its role in ensuring oversight over the alignment of planning in government.
- 9.7 The Committee notes that the Department's monitoring and evaluation findings and recommendations on departments are not implemented. There is a need to develop a mechanism to encourage departments to consider DPME recommendations as a tool to guide policy, planning and implementation. The Department has to be given legislative powers to influence policy directions through evidence-based monitoring and evaluation reports.
- 9.8 The Department is charged with the responsibility to assist the Office of the Presidency in managing the Heads of Department Performance Management Development System. The Department was concerned about compliance and quality of the performance agreement submitted. There is a need to review Heads of Department PMDS's policy more specifically on the HoDs acting for more than six months in relation to signing of

performance agreements. Performance Assessments have to be used as a tool to measure the performance of and the subsequent consequence management, of Ministers and HoDs.

- 9.9 The Committee notes the Minister's remarks on the additional responsibilities on State Owned Enterprises which includes the processing of the National State Enterprise Bill, which is pending to Parliament. The Bill might be referred to the Portfolio Committee for further processing.
- 9.10 Operation Vulindlela is a government wide initiative, coordinated by the Presidency and National Treasury which focuses on accelerating the implementation of structural reforms with a high impact on economic growth and job creation. Operation Vulindlela was another issue raised with regard to its effectiveness in accelerating implementation of structural reforms in the country. The Committee appeals to the Department and the Office of the Presidency to report on the progress made with regard to the efficacy of Operation Vulindlela.

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- 9.11 In the Sixth Administration, there was a proposal to reconfigure Brand South Africa to be merged with Tourism South Africa which did not succeed. The Committee notes developments regarding the proposed merger, and also noted that the two institutions will remain separate entities until other processes take place or even that the entities might not merge in future, should circumstances dictate so. The Committee will continue providing oversight over Brand SA in exercising its mandate.
- 9.12 Brand SA's mooted merger caused a high vacancy rate and resulted in an inability to review organisational structure and low staff morale due to the institution being job insecure. The Committee notes the intention to fill vacancies once the new organisational structure is approved.
- 9.13 Brand SA doubled its efforts with limited resources by reviewing activities of the *Play Your Part Programme* in rural areas as part of promoting its footprint locally.

- 9.14 Brand SA has to continue to make an impact through marketing, communications and reputation of the Nation Brand. Government departments have to be trained in packaging government messages in order to sell the country's brand.
- 9.15 The Committee observes that there is a lack of proper conceptualisation and measuring of the impact of social cohesion to bridge the gap of inequality within society.

10. RECOMMENDATIONS

The Portfolio Committee recommends the following to the Department of Planning, Monitoring and Evaluation and Brand South Africa for implementation:

- 10.1 The Department should ensure full implementation of the Policy Framework on the Integrated Planning to improve institutionalisation and harmonisation in the planning system aimed towards improving results. Implementation of the Policy Framework should assist the Department to strengthen areas to be incorporated into the Integrated Development Planning Framework Bill together with the lessons learnt in piloting the District Development Model.
- 10.2 The Department should conduct a workshop on the Policy Framework on the Integrated Planning with all government departments and ensure implementation of the Policy.
- 10.3 The Department together with the Department of Cooperative Governance and Traditional Affairs, should develop mechanisms to ensure alignment of the NDP-MTSF and the District Development Model. The District Development Model will improve coherence and coordination across the three spheres of government.
- 10.4 The Department should in the 7th Administration, prioritise and dedicate a higher percentage of resources towards monitoring the implementation of the NDP- Medium-Term Strategic Framework on Government targets and indicators and other key priorities in order to measure performance and delivery. The Department should be able to measure government departments programmes in terms of deliverables that translate into service delivery.

- 10.5 The Department should ensure that the MTSF Monitoring and Reporting System tool assists in assessing performance of the departments and is used in compiling reports on the progress made to determine whether Government is on track to deliver on the objectives of the NDP.
- 10.6 The Department of Planning, Monitoring and Evaluation together with the Department of Public Service and Administration should devise a strategy to ensure compliance with Policy on the Heads of Department Performance Management Development System and improvement with regard to the quality of performance agreements.

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- 10.7 Brand South Africa should continue to discharge its mandate to positively influence and enhance the perception of the Nation Brand by balancing its local and international branding.
- 10.8 Brand South Africa should collaborate with institutions promoting the National Brand domestically and internationally including the private sector and Institutions of Higher Learning Centres in order to promote brand South Africa.
- 10.9 The newly appointed Board of Trustees of Brand SA should investigate the separation package of R7.4 million approved and paid by the Acting CEO to the former Chief Financial Officer to determine whether due diligence were followed. The Board of Trustees should report the outcome of the investigation by October 2024.
- 10.10 Brand South Africa should continue to improve its footprint in the provinces to make itself publicise and promote its mandate and programmes.
- 10.11 Brand SA should, with its limited resources, ensure that all provinces are visited and apprised through the *Play Your Part Programme* intended to benefit young people.

11. CONCLUSION

The Department's mandate of improving and strengthening government-wide planning as well as monitoring and evaluating government performance is satisfactorily carried through. One critical aspect of the Department is to monitor the implementation of the MTSF to assess government performance. The Committee will continue to exercise oversight to ensure that the DPME's focus should mainly be on monitoring implementation of the NDP to inform a review of the national planning footprint, which was informed by Government's Programme of Action and the Medium-Term Strategic Framework. The achievement of the NDP requires collaboration, integration and cooperation across all levels of government, including the private sector. The Department has a critical role to play in providing a snapshot of government's performance on an annual basis.

The Portfolio Committee recommends as follows:

That the House adopts and approves the Budget Vote 9 of the Department of Planning, Monitoring and Evaluation.

Report to be considered.

9. REPORT OF THE PORTFOLIO COMMITTEE ON PLANNING, MONITORING AND EVALUATION ON THE ANNUAL PERFORMANCE PLAN (APP) 2024/25 AND THE BUDGET VOTE 14 OF STATISTICS SOUTH AFRICA, DATE 10 JULY 2024

1. BACKGROUND

The Portfolio Committee on Planning, Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plan, Annual Performance Plan and Budget allocations of the Statistics South Africa tabled by the Minister in the Presidency for Planning Monitoring and Evaluation in terms of the Public Finance Management Act (No 32 of 2003), reports as follows:

2. INTRODUCTION

Parliament plays an important role in overseeing planning and performance of government departments and public entities as well as Chapter 9 and 10 institutions. The Public Finance Management Act (No 1 of 1999), section 27 stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. Subsequent to that the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, section 10 (1) (c) clearly stipulates that the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the strategic and annual performance plan, the Committee ensured that Statistics South Africa plans and budget allocation serve the needs and aspirations of the statistics users. Budget allocation serves as a key instrument for government to promote socio-economic development. Budget allocations play a critical role as an economic instrument of the government to reflect on the country's socio-economic policy priorities by translating priorities and political commitments into expenditures. Budgets serve as a vital tool to operationalise government activities towards the achievement of its intended priorities. Furthermore, the budget highlights the constraints and trade-offs in policy choices.

On the 09th of July 2024, the Committee considered a presentation on the Annual Performance Plan and budget allocation of Statistics South Africa (Stats SA). This Report summarises the presentation received from the Stats SA, focusing on the 2024/25 Annual Performance Plan and Budget, which include allocations over the MTEF.

3. OVERVIEW OF STATISTICS SOUTH AFRICA

The main responsibility of Stats SA is to provide relevant and accurate statistics by using internationally approved practices to inform users of the dynamics of the economy and society. Stats SA is mandated through the Statistics Act (No. 6 of 1999) to coordinate the statistical production from organs of state, the private sector and other institutions to facilitate proper planning, decision making and monitoring and evaluation of policies and projects. Stats SA is guided by the ten fundamental principles of official statistics of the United Nations, as well as the six principles adopted by the African Union in carrying out its function.

Statistics South Africa releases over 250 surveys on a yearly basis on employment, labour, poverty and other socio-economic statistics. Such statistics are aimed at providing evidence-based information to policymakers, private sector, academics and non-governmental organisations as well as planners across all spheres of government. Stats SA is committed to using scarce resources to deliver quality basic statistics as it invests in and strengthens partnership with various stakeholders within the data ecosystem. Statistics South Africa has over the Medium-Term Strategic Framework planned to focus on the following crucial statistical work:

- Finalisation of legislative reforms.
- Release of the results of the National Household Travel Survey.
- Release of the Census of Commercial Agriculture.
- Sustaining the quality of national indicators.
- Driving a transformation and change agenda.
- Dissemination of Census 2022 results to the nation.

4. NATIONAL DEVELOPMENT PLAN VISION 2030

The National Development Plan highlights the need for South Africa to build a State that is capable of playing a developmental and transformative role. This requires the State to formulate and implement policies that support that role. The NDP and the Medium-Term Strategic Framework are informed by statistical information provided by Statistics South Africa, which publishes statistical releases per annum. The publications present statistical research that measures the development and transformation of the economy and society in a range of contexts.

Changing economic and societal realities have expanded the demand for statistical information: more detailed statistics are needed and more frequently if policies are to be responsive and effective. Statistics in the public domain must be of high quality. Responding to the increased demand for high quality statistics will require a national effort, and collaboration and partnerships between the producers and the users of statistics.

5. LEGISLATIVE MANDATE

Statistics South Africa is a national government department accountable to the Minister in the Presidency for Planning, Monitoring and Evaluation. Stats SA has a separate budget vote from the Department of Planning, Monitoring and Evaluation (DPME). The activities of the Department are regulated by the Statistics Act (Act No.6 of 1999), which ensures independence from political interference in the production and dissemination of official statistics. According to the Statistics Act, the purpose of official statistics is to assist organs of state, businesses, other organisations and the public in planning, decision-making, and monitoring or assessment of policies.

The Act makes provision for the appointment of a Statistician-General (SG) whose role in statistical production in the country is as follows: Firstly, as the National Statistical Authority to inform stakeholders on the economy and society by:

- Collecting, compiling and disseminating a wide range of economic, social and population statistics.
- Developing and maintaining database for national statistics on businesses and enumeration areas; and

- Liaising with other countries and statistical agencies as well as representing Stats SA and South Africa in statistical activities internationally.

Secondly, as the National Statistical Coordinator, to promote coordination among producers of official and other statistics in order to advance quality, comparability and optimum use of official statistics and to avoid duplication by:

- Formulating quality criteria and establishing standards, classifications and procedures.
- Providing statistical advice; and
- Promoting a public culture of measurement.

5.1. Strategic goals of Statistics South Africa

In order to be responsive to the attainment of the NDP priorities over the period 2020/21-2024/25, an NDP Five-year Implementation Plan and a more focused Medium Term Strategic Framework (MTSF) 2019/24 have been developed by the Presidency as announced by the President in the State of Nation Address, to outline the following strategic goals:

- Economic transformation and job creation.
- Education, skills and health.
- Consolidating social wage through reliable and quality basic services.
- Spatial integration, human settlements and local government.
- Social cohesion and safe communities.
- A capable, ethical and developmental State.
- A better Africa and a better world.

The key priorities for 2024/25 are outlined below:

- Driving legislative reform.
- Sustaining the quality of national indicators.
- Driving a transformation and change agenda.
- Dissemination of Census 2022 results to the nation.
- Releasing the results of Income and Expenditure Survey.

6. BUDGET ALLOCATION

The overall budget allocation for the 2024/25 financial year is R2 646.2 billion, which is an increase as compared to R2 643.0 billion allocated in 2023/24 financial year. The budget allocated represents an increase of -0.20 per cent in nominal terms. However, in real terms the total budget for Stats SA increased by -4.68 per cent in 2024/25 financial year. Over the medium term, the Department will continue to focus on modernising its operating model, implementing a continuous population survey and implementing statistical reform.

The Department will be modernising the operating model to deliver its product and service better, faster and more cost effectively. This includes the implementation of the digital business transformation strategy and roadmap, which entails the rollout of cloud infrastructure and tools that enable self-enumeration, the establishment of secure data-sharing platforms and research on the adoption of innovative technologies such as artificial intelligence (AI) and machine learning.

Self-enumeration through web-based technology intended to allow respondents to capture survey information on an online platform that is captured on the data processing centre. The initiative will reduce fieldworker interaction in areas that are difficult to access. The establishment of secure data-sharing platforms is expected to make data easily accessible on various platforms to relevant stakeholders. This is intended to reduce duplication, and will facilitate the country's responses to national, continental and global reporting requirements on economic, social and developmental agenda. In order to carry out the modernisation project, R188.7 million is allocated over the MTEF period for Business Modernisation subprogramme.

The budget will also be utilised in conducting the Continuous Population Survey. The Continuous Population Survey is being re-conceptualised to integrate several existing household surveys within the departments survey programme to produce frequent-level data. The budget allocated to carry out this activity is R470 million over the medium term in the Poverty and Inequality Statistics sub-programme.

In driving legislative reform, the Statistics Amendment Bill was approved by Parliament in February 2024. It is expected to be enacted by President in 2024/25. In a nutshell, the Bill makes provision for developing and implementing a national statistics system and strategy for the development of statistics and for enhancing coordination and collaboration among producers of statistics, among other things. It also stipulates that the population census must be conducted every 10 years. A total of R144.7 million is allocated to drive legislative reforms.

Stats SA has 2 635 funded posts. Stats SA has a vacancy rate of 19.4% as at the end of March 2024, which continues to increase due to declining financial resources in the budget allocation of the compensation of employees (CoE). The inability to fill vacancies over the last five years has impacted negatively for the Department to meet employment equity targets, especially at senior management levels. Women in SMS posts represent 41.3% of filled SMS posts.

Table 1: Budget per programme

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	2023/24	2024/25	2025/26	2026/27	2023/24-2024/25	2023/24-2024/25		
R million								
Programme 1: Administration	719.0	713.5	740.8	777.1	- 5.5	- 37.5	-0.76 per cent	-5.22 per cent
Programme 2: Economic Statistics	284.1	295.5	307.8	322.2	11.4	- 1.9	4.01 per cent	-0.66 per cent
Programme 3: Population and Social Statistics	286.2	293.9	305.6	320.2	7.7	- 5.5	2.69 per cent	-1.92 per cent
Programme 4: Methodology and Statistical Infrastructure	155.2	158.1	164.8	172.5	2.9	- 4.2	1.87 per cent	-2.70 per cent
Programme 5: Statistical Support and Informatics	308.2	292.6	305.2	320.7	- 15.6	- 28.7	-5.06 per cent	-9.32 per cent
Programme 6: Statistical Operations and Provincial Coordination	855.4	846.4	882.3	924.1	- 9.0	- 47.0	-1.05 per cent	-5.49 per cent
Programme 7: South African National Statistics System	43.3	46.2	46.2	50.4	2.9	0.8	6.70 per cent	1.91 per cent
TOTAL	2 643.0	2 646.2	2 752.7	2 887.2	- 5.2	- 124.0	-0.20 per cent	-4.68 per cent

Source: Estimates of National Expenditure 2024

7. PROGRAMME PERFORMANCE

Statistics South Africa has seven programmes, which are as follows:

7.1 Programme 1: Administration

The purpose of the Programme is to provide strategic leadership, management and services to the department. The Administration programme has four sub-programmes, which are: Department Management, Corporate Services, Financial Management Services, Internal Audit

and Office Accommodation. The strategic intention of the programme is focused on driving the outcome of transformed capability. The Programme will align itself to the strategy of digitisation through automation of processes. The provision of support to projects, including the Census 2022 project, will utilise all facets of automated processes. A cost-effective strategy to reduce the major cost driver in surveys, which, apart from the compensation of employees is the utilisation of vehicles, will be explored.

Stats SA will transform and change agenda to facilitate and drive the culture and organisational change required to implement the new strategic direction. A cost-effective strategy to reduce the major cost driver in surveys which, apart from compensation of employees is the utilisation of vehicles, will be explored. An alternative funding model will also be explored through research.

The Programme is allocated R713.5 million for the 2024/25 financial year. Programme 1's budget intends to achieve the following: the production of reports on support provided to the Consumer Price Survey (CPS) 2024/25 survey compiled, 25% phase 2 of prioritised Management Information Repository (MIR) functionalities developed, three business process mapped, compile one transformation and change management plan (2024/25) and implement one digital business transformation plan. Stats SA will also conduct one skill audit, gender-based violence programme implemented, developed assessment Minimum Information Security Standards (MISS) and the rollout of the report on accommodation plans? The Department intends to reduce fruitless and wasteful expenditure by 80% in this financial year.

7.2 Programme 2: Economic Statistics

Economics Statistics Programme aims to produce economic statistics to inform evidence-based economic development and transformation in line with internationally recognised practices. Programme Management for Economic Statistics provides strategic direction and leadership. There are six sub-programmes, which are as follows: Business Cycle Indicators, Structural Industry Statistics, Price Statistics, Private Sector Financial Statistics, Government Financial Statistics and National Accounts.

The objective of the Programme is to produce economic indicators to inform evidence-based planning, monitoring, evaluation and decision making for use by the public and private sectors by publishing monthly, quarterly, annual and periodic statistical releases on various industries in the private and public sectors.

The Programme is allocated R295.5 million in 2024/25 financial year. The Programme focuses on providing insightful data. It produces a range of statistics describing the dynamics of the economy and its links to job creation, economic growth, the environment and society. The Programme is considering different approaches to ensure that the business operating model becomes more agile. This is possible through an increase in the use of technology during the data collection phase of the statistical value chain, aimed at improving efficiency. The intention is to reduce the costs of the current operating model and broaden the scope of available data.

The budget of Programme 2 intends to achieve the publishing of 150 monthly, quarterly and annual industry and trade statistics over the medium-term, three reports on updated weights for Mining (2019-2021), compile Manufacturing (2018-2020) and Manufacturing production capacity and publish one report on of results of piloting deflation for the Tourist Accommodation Survey. The Department will publish seven reports on the 2022 surveys (mining wholesale trade, retail trade, motor trade, accommodation, food & beverages, post & telecommunications).

Furthermore, Stats SA has conducted agriculture statistics in 2023 which will be released in the 2024/25 financial year, as well as, 12 monthly Consumer Price Index releases, 12 monthly Producer Price Index releases, 12 monthly CMPI releases and 12 monthly XMUVI. The Department will publish four quarterly releases on private sector financial statistics, publish four quarterly releases on capital expenditure, seven annual releases on government financial statistics, four quarterly releases on financial statistics of municipalities and publish one releases on the non-financial census of municipalities. The Department further intends to compile one report on the testing of administrative data for Quarterly Financial Statistics on Selected Municipalities (QFSSM).

The Department intends to publish four quarterly releases on Gross Domestic Products and compile one research report on reviewing and improving data source. Stats SA will under the programme intends to publish one report on the tourism satellite accounts and one report on the economic environmental accounts as part of the Natural Capital Accounting series.

7.3 Programme 3: Population and Social Statistics

The purpose of the Programme is to produce population, demographic, labour market and social statistics to inform socio-economic development. Population and social statistics inform evidence based socio-economic development and transformation in line with internationally recognised practices. Programme 3 contributes to strategic objective to sustain national

population and social indicators to inform evidence-based planning, monitoring and decision-making for use by the public and private sector through publishing numerous series such as labour market and employment surveys.

The outputs produced under this Programme contribute immensely towards the monitoring of the MTSF 2020-2024, the National Development Plan goals and indicators, Agenda 2063 as well as the Sustainable Development Goals.

The Programme is allocated budget of R293.9 million for the 2024/25 financial year. In real terms, the budget allocated has increased with 1.92 per cent as compared to the previous financial year of R286.2 million. The programme will ensure that the ever-increasing demand for data and information in the country is met by increasing its responsiveness to the user needs. The programme 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.

The strategic intent of the programme is to integrate survey content through the introduction of a Continuous Population Survey (CPS). Stats SA is currently collecting 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). Stats SA is in the process of reviewing the content of the questionnaire of these surveys as well as their survey methodology. The Continuous Population Survey will integrate current survey instrument, the General Household Survey, the 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 circumstance and poverty data.

The Programme plays a pivotal role in the operational inputs that contribute towards achieving other strategic outcomes. The digitalisation of relevant phases in the statistical value chain (development of electronic questionnaire) contributes towards achieving an agile operating model. The 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. The Department will partner with the Department of Basic Education in the

implementation of Two areas are the Learner Unit Record and Information Tracking System (LURITS), and the Higher Education Management Information System (HEMIS) of the Department of Higher Education and Training

During the 2024/25 financial year, the programme will be closely involved with testing the *To-Be process* of mixed mode data collection. The Department will under this programme explore and increase the use of administrative data as alternative data sources to complement existing publications and produce new indicators. These include publishing 12 monthly releases on international tourism statistics, release on recorded live births, mortality and causes death and report health statistics.

7.4 Programme 4: Methodology and Statistical Infrastructure

The purpose of the Programme is to set standards, statistical frames, methodologies and conduct statistical research. The main objective of the Programme is to improve the quality and methodological soundness of statistical information by researching, developing, reviewing and applying statistical methods, standards, classification and procedures in the statistical value chain annually. The Programme further monitors and evaluates the methodological compliance of statistical operations by conducting independent evaluations on statistical practices annually. In addition, it ensures complete and accurate sampling frames to enhance the quality of economic and social statistics by maintaining and updating frames for business and geographic information annually.

The Programme is allocated budget of R158.1 million for 2024/25 financial year. In nominal terms, the programme's budget has slightly increased with 1.87 per cent as compared to R155.2 million in 2023/24 financial year. The programme contributes towards achieving the organisational strategic outcomes of agile operating model and interconnected statistical system. The programme main intent is to ensure availability of and access to relevant statistical standards and classification for Stats SA and SANSS partners. 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) is an input frame in the statistical value chain and consists of layers of geo-referenced structures such as dwellings, businesses, place names, enumeration areas and small areas. The GIF forms the base reference of planning, operations and dissemination of censuses and surveys. Geospatial information and reliable evidence are

fundamental to achieving South Africa's Development Agenda. The programme is also responsible for developing, designing and implementing a diverse range of statistical, data and analytical solutions containing selected information of all formal businesses in the country, irrespective of size and economic activity performed.

The Department is responsible for 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. The programme will reposition and strengthen quality management approaches in the organisation in order to sustain the quality of key indicators and to curb the challenges of declining quality of data. During 2024/25, the Code of Practice for Quality Management System (QMS) will be piloted and tested before rollout can commence over the mid-year.

The Department will through envisaged monitoring and evaluation system be enhanced for purpose of refinement and implementation of the quality management system. 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.

7.5 Programme 5: Statistical Support and Informatics

This Programme enables service delivery programmes by using technology in the production and use of official statistics. The main objective is to modernise business processes by building enterprise architecture and applying emerging technologies for data collection, processing and the dissemination of statistical information over the medium term. The Programme further aims to enable the department's production of official statistics by providing a technology infrastructure that is reliable, sustainable and cost-effective over the medium term to inform policy through the use of statistical geography.

The Programme promotes and provides better access to official statistics. The Programme contributes to enhancing public confidence and trust in statistics and investing in the learning and growth of the organisation. Moreover, the Programme collaborates with partners to build and maintain a reliable sampling frame for household surveys by updating the spatial information frame annually. In addition, it increases awareness of and the use of official statistics by government and the public on an ongoing basis by reaching out to stakeholders

and responding to user queries, educating users and improving accessibility to and the ease of use of statistical information.

The programme is allocated budget of R292.6 million for 2024/25 financial year. In nominal terms, the budget has decreased with -5.06 per cent as compared to the 2023/24 financial year. The programme exists to utilise technology to optimise the data ecosystem to service current user needs and to meet unmet user needs as defined in the Integrated Indicator Framework (IIF) from potential users. The programme intent to achieve the implementation of the branding strategy which aims to place stakeholders at the centre of our operations by delivering products and services that are in line with user requirements.

Furthermore, the programme aims to position Stats SA as a leader within the data ecosystem, to innovate interactive platforms by re-engineering the website to improve accessibility and use of statistical products and service. The programme to compile specialised research reports and knowledge products for better insights into planning and policy development processes.

The programme will develop innovative communication products in order to create a better understanding and insight into data and statistics. In addition, the programme will 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 is able to anticipate growing demand and will have the foresight to increase capacity when required and to scale down to save costs based on system requirements.

7.6 Programme 6: Statistical Operations and Provincial Coordination

The purpose of the Programme is to collect and process data and interact with stakeholders and users at provincial and local levels to inform policy implementation and support decision-making through statistical information. It engages stakeholders through platforms and provides effective communication services.

The pandemic has compelled the organisation to assess and test the use of a multi-modal approach (i.e. use of Computer Assisted Web Interviews (CAWI), Computer Assisted Telephone Interviews (CATI) and Computer Assisted Personal Interviews (CAPI)) for data collection to minimize contact between fieldworkers and respondents. The use of a multi-modal approach provides respondents with an option to be enumerated without any physical contact with a Stats SA official should they wish so. Census 2022 was the first multi-modal Census in

South Africa and will form the proof of concept for all other surveys in Stats SA. In the coming year, the multi-modal processes will be tested on other Stats SA surveys.

The programme is allocated R846.4 million in 2024/25 financial year. In nominal terms, the budget has decreased with -1.05 per cent as compared to the 2023/24 financial year budget allocation of R855.4 million. The programme aims to ensure well-coordinated, quality-assured data collection and dissemination of statistical information. The primary target is to have household surveys and population census collections online and technology-driven, with all fieldwork staff appropriately skilled in the use of new technology by 2025.

The Department has conducted the national population census and commenced with the dissemination of the census results in 2023/24. The dissemination of results at district and municipal levels will continue in 2024/25. The results will be used as a statistical information baseline for the District Development Model. The Department will continue using of a multi-modal approach in data collection for the Census as this approach provides respondents with an option to be enumerated without any physical contact with the Stats SA official. Stats SA will start to test using multi-modal for the rest of the surveys. Implementation of an Integrated Operations model will be rolled out in a phased approach over the medium term.

The programme intends to compile nine provincial reports on Census 2022 dissemination and reports on Income and Expenditure Survey. The strategic focus of the programme will be on reskilling staff to be able to meet the new requirements of work methods in a digital environment. The focus will not only be on digital capabilities but ensure that staff have the necessary capabilities since the institution is implementing an Integrated Operations Model for data collection.

7.7 Programme 7: South African National Statistics System

The purpose of the Programme is to develop and coordinate the national system in South Africa. The objective of the Programme is to ensure that national statistics are produced based on common statistical standards and principles by providing statistical support and advice on an ongoing basis, and certifying statistics as official annually. It manages the distribution of statistical information by establishing and providing mechanisms, platforms and criteria for sharing data annually. It drives statistical reporting by coordinating the compilation of statistical reports in line with the integrated indicator framework annually.

The programme is allocated R46.2 million in 2024/25 financial year. In nominal terms, the budget increased by 6.70 per cent as compared to R43.3 million in 2023/24 financial year. The main focus for the programme is to partner with all role players in the data ecosystem in order to realise the full benefits of the data revolution and modernised national statistics systems. The statistics system is composed of entities in the NSS which must subscribe to governance and ethical principles for all producers of statistics. 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.

Stats SA has table the Statistical Amendment Bill in Parliament in 2023/24 financial year and submitted to the President to assent to it. The approval of the Amendment Bill will lead to the development and implementation of the National Strategy for Development of Statistics (NSDS). The development and implementation of the National Strategy for Development of Statistics (NSDS) will build capacity and strengthen coordination amongst entities of the National Statistics System (NSS). Through the NSDS, NSS entities will be able to set up statistical plans informed by the Integrated Indicator Framework (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 Department will 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 will be fully implemented. The online platforms that will be used for assessments and reporting on development frameworks will be to ensure there is access to quality data towards the achievement of the country's priorities.

8. OBSERVATIONS AND KEY FINDINGS

The Portfolio Committee observed the following matters in relation to the Budget Vote 14 of Statistics South Africa:

- 8.1 The Committee notes the Statistics South Africa Annual Performance Plan for 2024/25 financial year. The Committee welcomes the Annual Performance Plan as it incorporates the mandate of Stats SA.
- 8.2 The historical budget shortfall or resource constraints continue to negatively impact on the Stats South Africa's ability to attain its set objectives. The National Treasury has allocated an additional budget of R44.1 million in the 2022/23 financial year and R132.3 million over the medium term to address historical shortfall on compensation of employees. The Department has started filling critical positions as per the new approved organisational structure. Additional funding to sustain the capacity of Stats SA is crucial in this regard to avoid losing technical and competent professionals in the Department. The cost of training new employees to produce quality statistics will cost the departments millions of Rands.
- 8.3 With an additional allocation on Compensation of Employees (CoEs) budget, Stats SA has to prioritise balancing its employment equity targets by ensuring that competent women are promoted to senior management and to increase the target to 3.5% of people living with disabilities. The vacancy rate of 19.4% has been observed and the Committee will continue supporting Stats SA to be allocated additional funding. The Committee notes that Stats SA can only fill seven positions annually.
- 8.4 Stats SA has to account for the official statistics with regard to the actual number of immigrants in the country. There are speculations and concerns about under-counting of immigrants in the country which might impact on the planning and distribution of services.
- 8.5 The Committee notes that Stats SA has established an Interconnected Statistical System that facilitates data acquisition, integration, analysis and visualisation. An Interconnected Statistical System is a network of various data system, institutions, technological resources and partnerships based on shared principles that are interoperable and interconnected. An interconnected system aims to improve efficiency, accountability and accessibility. The Committee plans to support the establishment of Interconnected Statistical System for purposes of a better coordination of various statistics produced in the country.

- 8.6 The Committee notes that Stats SA together with the Ministry in the Presidency, tabled to Parliament the amendments to the Statistical Act to drive statistical coordination in the country. The Statistical Amendments Bill was processed by both Houses of Parliament in 2023/24 financial year. The Bill is currently with the Office of the Presidency for the President to assent the Bill into law. However, the Committee raised concerns about statistical officials being required to enter private dwelling for purposes of collecting data.
- 8.7 Decision making informing policy and planning has to be guided by reliable data, evidence-based and accuracy of information. In ensuring geospatial information frames, the Committee notes that Stats SA has to impart knowledge and skills to government departments to sufficiently understand and utilise geospatial information for purpose of producing administrative statistics.
- 8.8 The Committee notes the dissemination of the Census 2022 results to the district municipalities in order to inform planning and evidence-based decision-making for developmental purposes.
- 8.9 During Census 2022 project, Stats SA requested an amount of R6 billion to run the project. However, the National Treasury allocated only R3 billion for Census 2022 which resulted in overspending of R1 billion due to the budget deficit on compensation of employees. Stats SA will fully account to the Committee on the budget allocation for Census 2022 and overspending in September 2024, this includes accounting on the challenges that led to under-counting of the population.
- 8.10 The development of Integrated Indicator Framework (IIF) is welcomed by the Committee. The Integrated Indicator Framework is a network of various data eco-system, institutions, technological resources, human resources and partnership based on shared principles that are interoperable and interconnected. Interconnected systems aim to improve efficiency, accountability and accessibility of government various services. The system has to be built in a way that minimises threats to cybersecurity. The IIF system will also be used to measure some indicators related to the District Development Model.

- 8.11 The Committee notes that Stats SA is of the view that official statistics are not effectively used in planning. Stats SA's statistical releases should remain guiding tools of all government departments during planning, policy making and budgeting processes. This is critical in ensuring that policies are meeting initial aims and identifying areas for improvement.
- 8.12 Due to rapid digital transformation in the world, Stats SA is ensuring the integration of statistical and geospatial information by facilitating collaboration between geo-spatial experts and statisticians. Digital transformation reduces cost of data collection and improves turnaround time for production of results. Stats SA business model emphasises digitisation of its business processes by moving away from paper to digital method during data collection in most recent projects. The Committee supports the transition from paper to digital method to allow both enumerators and citizens to participate fully on the various surveys and for convenient purposes.
- 8.13 Digitisation of business process will assist Stats SA in reducing cost on office accommodation in the provinces and districts since the technology allows hybrid working especially for professional and surveys enumerators.
- 8.14 The Committee notes the desire of Stats SA to establish a statistical agency to conduct research and related activities on behalf of Stats SA and possibly the Statistics Council.
- 8.15 The Committee notes the concern of Stats SA regarding the fact that they are presently unable to generate statistics at sub-national level and more so at local level.
- 8.16 The Committee notes that compensation of employees takes 65% of the Department's budget.

9. RECOMMENDATIONS

The Portfolio Committee recommends that Statistics South Africa, through the Minister in the Presidency, gives attention to the following activities:

- 9.1.** Swiftly implementing the Bill (Statistics Amendment Bill of the Statistics Act 1999) once signed into law aimed to drive statistical reforms. The amendments to the Act firmly

respond to the evolving environment, with particular emphasis on statistical coordination, the data revolution, a state-wide statistical service and institutional arrangements.

- 9.2. Statistics South Africa together with the Office of the Minister in the Presidency and the Department of Planning, Monitoring and Evaluation should encourage departments to consider statistical releases as a guiding tool during planning, policy making and budgeting processes. Official statistics should play a major role in all facets of government planning and allocation of fiscal resources. All departments must work in collaboration with Stats SA on various statistical releases to be used in planning and budget allocations.
- 9.3. Statistics South Africa should consider adopting a training programme aimed at capacitating all government departments and local government including entities on key statistical findings to assist all role players in planning, policy and budget allocation to plan better for the citizens.
- 9.4. The vacancy rate of 19.5% has to be drastically reduced by undertaking a recruitment drive to strengthen departmental workforce in order to continue producing quality, reliable and timeous statistics for the nation and international world. Stats SA should account on regular basis by providing the Committee with recruitment plans. Should the Department experience challenges in sourcing funding, it should approach the Committee for intervention.
- 9.5. Stats SA should continue leveraging the use of technology such as Computer Assistive Personal Interviews (CAPI) and Computer Assistive Telephonic Interviews (CATI) in its business model, which has drastically reduced costs of collecting data and timeous production of results.
- 9.6. Stats SA should ensure that an Integrated Indicator Framework (IIF), which is a network of various data system corroborate/support the District Development Model administered by the Department of Planning, Monitoring and Evaluation.

10. CONCLUSION

Statistics remain a vital source of evidence as it provides objective and numerical data on important aspects of the country, including economic growth, job creation, characteristics of

population, social living conditions, health, education and crime, etc. Therefore, Statistics South Africa continues to play a significant role in producing credible statistics to inform evidence-based planning, monitoring, evaluation and decision-making and helping academics and private and public sector towards accessing reliable statistics. Moreover, Stats SA remains a key strategic player in the transformative agenda by producing evidence-based, quality and accurate official statistics for the country. Collection of statistics remains a top priority in ensuring informed current and future planning for the country.

Statistical information plays a critical role in the value chain and should enhance planning and evidence-based policy making across a wide range of sectors. The Committee notes slight increase of budget in 2024/25 budget allocation. A well-resourced Statistics South Africa will serve the needs of the country well.

The Portfolio Committee recommends as follows:

That the House adopt and approve the Budget Vote 14 of Statistics South Africa.

Report to be considered.