

ANNUAL REPORT 2024/25

RAILWAY SAFETY REGULATOR

RAIL SAFETY ON THE RIGHT TRACK

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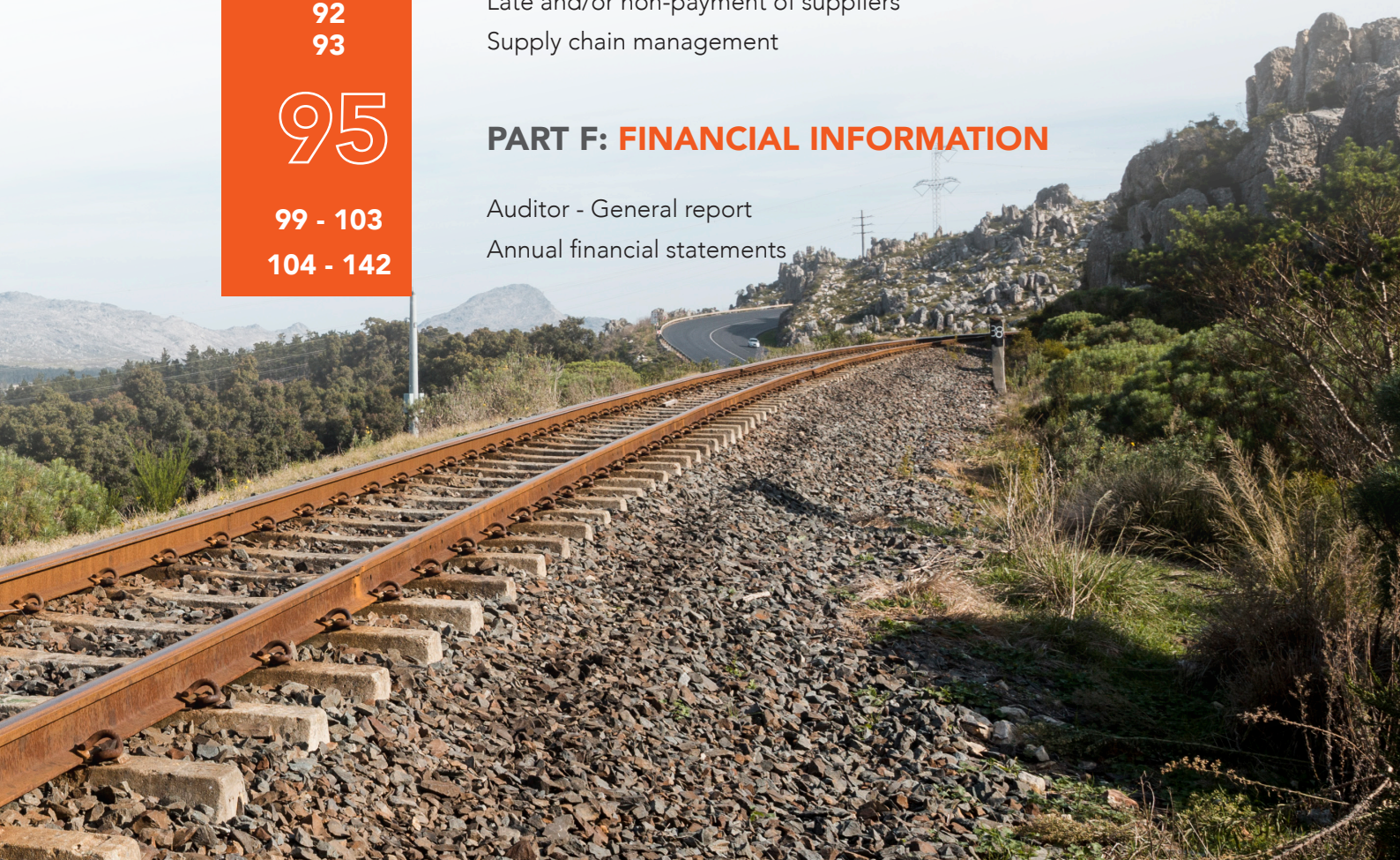
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General Information

Public entity's general information

Registered name:	Railway Safety Regulator
Registration number:	N/A
Registered Office Address:	Building 4, Waterfall Point Office Park, Cnr. Waterfall and Woodmead Drive, Waterfall City, Midrand, 1685, South Africa
Postal Address:	P.O. Box 11202, Centurion, 0051, South Africa
Contact Telephone Number/s:	+27 10 495 5391
Email address:	comms@rsr.org.za
Website Address:	https://www.rsr.org.za
External Auditors:	**Auditor General of South Africa** 271 Veale Street, Muckleneuk, 0181
Banker:	ABSA
Company/Board Secretary:	Ms Koliswa Sheburi Acting Company Secretary

About the annual report

This document constitutes the Annual Report of the Railway Safety Regulator (RSR) of South Africa (Regulator) for the 2024/25 financial year. The report is aligned with the RSR's strategic plan for the 2019/20-2024/25 period and has been prepared in accordance with the National Treasury's Annual Report Guide for Schedule 3A and 3C Public Entities. It presents the key performance outputs, outcomes, and impact of the Regulator, alongside an account of its resource management and adherence to corporate governance principles.

This report is organised as follows:

- Part A: General overview
- Part B: Performance Information
- Part C: Governance
- Part D: Human Resource Management
- Part E: PFMA Compliance Report
- Part F: Annual financial statements

List of abbreviations

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad Based Black Economic Empowerment
CCMA	Commission for Conciliation Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
CSM CA	Common Safety Method Conformity Assessment
CSM RA	Common Safety Method Risk Assessment
DoT	Department of Transport
ERM	Enterprise-Wide Risk Management
EXCO	Executive Committee
FY	Financial Year
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
ICT	Information Communication Technology
KPI	Key Performance Indicator
MoU	Memorandum of Understanding

MTEF	Medium Term Expenditure Framework
MTDP	Medium Term Development Plan
NATMAP	National Transport Master Plan 2050
NDP	National Development Plan 2030
NIMS	National Information Monitoring System
NT	National Treasury
PFMA	Public Finance Management Act
PRASA	Passenger Rail Agency of South Africa
RM3	Railway Management Maturity Model
RSR	Railway Safety Regulator
SADC	Southern Africa Development Community
SALGA	South African Local Government Association
SANS	South African National Standards
SARA	Southern Africa Railways Association
SCM	Supply Chain Management
SMS	Safety Management System
TETA	Transport, Education and Training Authority
TFR	Transnet Freight Rail
TR	Treasury Regulations
VSCC	Verbal Safety Critical Communication

Chairperson's foreword



The 2024/25 financial year marked a period of strategic progress and institutional consolidation for the Railway Safety Regulator (RSR), as it continued to fulfil its legislative mandate of promoting and safeguarding a safe, reliable and sustainable railway system in South Africa.

A defining feature of this reporting period was the promulgation of the Railway Safety Act, 2024 (Act No. 30 of 2024), a watershed moment in the evolution of rail safety regulation. This Act replaces the National Railway Safety Regulator Act of 2002 and introduces a modernised regulatory framework designed to elevate safety standards, enable more responsive oversight and enhance sector accountability. It provides the legislative foundation required to address contemporary risks and opportunities in the railway environment.

In alignment with the National Rail Policy and broader government priorities, the RSR made notable strides in the execution of its mandate. Key achievements included the notable progress towards the successful finalisation of the new Permit Fee Model, the operationalisation of the Common Safety Method on Risk Assessment (CSM-RA) and targeted support to the sector through technical assessments, regulatory interventions and sustained stakeholder engagement. Public awareness campaigns also played a crucial role in reinforcing a culture of safety.

The organisation achieved 88% of its annual performance targets, reflecting its operational resilience, prudent governance and the effectiveness of its leadership. These outcomes were underpinned by a commitment to regulatory excellence, risk-based decision-making and continuous improvement.

The RSR deepened strategic partnerships during the year, collaborating with entities such as the South African Local Government Association (SALGA), SADC regional bodies and the Department of Transport. In support of national transformation goals, the Regulator also prioritised procurement from women- and youth-owned enterprises and continued to invest in skills development and research initiatives aimed at capacitating the sector.

While the RSR recorded commendable progress, it operated within a challenging environment. Chief among these challenges was the absence of a substantive Chief Executive Officer (CEO) for more than two years, which placed added demands on both the Executive team and the Board. The recruitment process, which commenced in the financial year under review, has now been successfully concluded. The Board is pleased to confirm the appointment of Mr. Brian Monakali as CEO of the Regulator, effective 1 August 2025. His extensive expertise in the transport and logistics sector strengthens the organisation's leadership capacity and provides the assurance of strategic continuity. Looking ahead, the RSR is well-positioned to deepen its regulatory impact through the implementation of the new Railway Safety Act and enhanced data-driven oversight, entering a phase of renewed focus and leadership stability.

On behalf of the Board, I extend sincere appreciation to the Honourable Minister of Transport, the Executive team, RSR staff and all partners for their continued support. Together, we remain committed to building a rail sector that is safe, reliable and inclusive.



Ms Nompumelelo Sibongile Ekeke
CHAIRPERSON: RSR BOARD

Chief executive officer's overview



The 2024/25 financial year was marked by significant progress in enhancing the Railway Safety Regulator (RSR)'s regulatory effectiveness, financial resilience and organisational readiness for future demands.

The Regulator secured an unqualified audit, exceeded 88% of its performance targets and effectively utilised 96% of its allocated budget. These results stand as a clear testament to the organisation's discipline, resilience and unwavering commitment. Achieved within a constrained economic environment, they underscore the RSR's focus on sound financial management, operational efficiency and long-term institutional sustainability.

In addition to fulfilling its core mandate, the Regulator advanced bold, future-oriented initiatives during the reporting period. Foremost among these were the finalisation of the new Permit Fee Model and the development of the Safety-Critical Grades Framework, both pivotal to the implementation of the National Rail Policy. These milestones represent a decisive transition toward a modern, risk-based approach to safety regulation.

The procurement environment remained fully compliant with all legislative requirements, with no irregularities related to unsolicited bids. In line with national transformation priorities, 35.15% of procurement expenditure was directed to women-owned enterprises and 15.6% to youth-owned enterprises. These outcomes reflect the RSR's ongoing contribution to inclusive economic growth and the empowerment of historically marginalised groups.

While these achievements are notable, the RSR recognises opportunities to further enhance its capabilities, particularly in the integration of information and communication technologies. To address this, we have proactively initiated a phased modernisation programme. This programme includes critical technology upgrades and the prioritisation of key technical capabilities, enabling us to enhance operational responsiveness and maintain decision-making agility in line with our future-oriented regulatory objectives.

Looking ahead, the RSR has prioritised the implementation of a comprehensive corrective action plan arising from the unqualified audit. This plan focuses on strengthening internal controls, enhancing compliance frameworks and embedding a culture of accountability and continuous improvement across all levels of the organisation. In the year ahead, the Regulator will also roll out an extensive engagement programme with operators to facilitate the smooth integration of the new Railway Safety Act and ensure its consistent and effective implementation across the sector.

In closing, I wish to extend my sincere gratitude to the Board of Directors for their strategic oversight, to Executive Management for their leadership and to the entire RSR team for their resilience, professionalism and unwavering commitment to our regulatory mission. Together, we remain focused on advancing safety, innovation and transformation across South Africa's rail sector.



Mr Brian Monakali
CHIEF EXECUTIVE OFFICER

Statement of responsibility and confirmation of accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor General.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The accounting authority is responsible for the preparation of the Annual Financial Statements and the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control by providing reasonable assurance as to the integrity and reliability of the performance information, human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, performance information, human resources information and the financial affairs of the public entity for the Financial Year (FY) ended 31 March 2025.

Yours faithfully

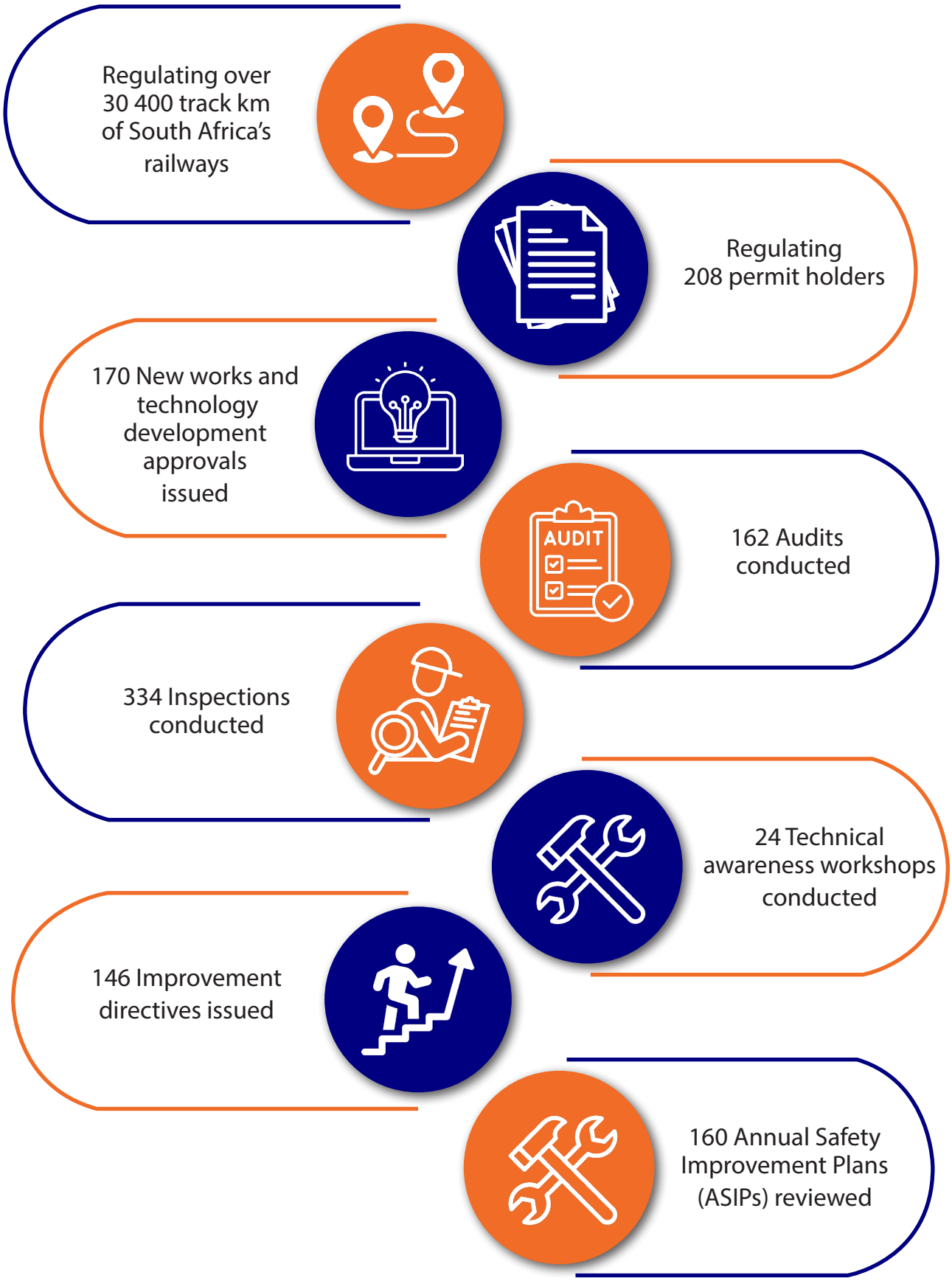


Mr Brian Monakali
CHIEF EXECUTIVE OFFICER



Ms Nompumelelo Sibongile Ekeke
CHAIRPERSON: RSR BOARD

Gravity of the RSR's scope



Strategic overview

Vision

Globally recognised safe, reliable, and sustainable railway operations.

Mission

To oversee and promote safe railway operations through appropriate support, monitoring and enforcement, guided by an enabling regulatory framework.

Values

Our attitudes and behaviour are guided by the following principles:



Legislative and other mandates

The Railway Safety Regulator (RSR) is established as a public entity in terms of Schedule 3A of the Public Finance Management Act (PFMA), which governs national and provincial public entities in South Africa. As a Schedule 3A public entity, the RSR operates with a degree of autonomy while remaining accountable to the Department of Transport, and it is mandated to oversee and promote safe railway operations across the country in accordance with legislative and regulatory frameworks.

Constitutional mandate

The Constitution of the Republic of South Africa identifies the legislative responsibilities of different levels of government with regards to airports, roads, traffic management, and public transport. Transport is a function that is legislated and executed at all levels of government. The implementation of transport functions at the national level takes place through public entities which are overseen by the Department of Transport (DoT). The RSR is responsible for ensuring compliance with elements relevant to the RSR and corporate governance aspects of the Constitution of the Republic of South Africa as it relates to the following:

- The RSR observes and adheres to the principles of co-operative government and intergovernmental relations, which are supported by its work on the rail reserve regulations and harmonisation of the Southern African Development Community (SADC) railways through common safety methods.
- Promotion of the rights of people in South Africa affirms the democratic values of human dignity, equality and freedom. The achievement of safer railways reinforces the values contained in the Bill of Rights.

To give effect to the principles of cooperative governance and intergovernmental relations, as contemplated in Chapter 3 of the Constitution of the Republic of South Africa, 1996, the RSR has entered into cooperation agreements and arrangements with relevant organs of state. These organs of state include but are not limited to the Department of Employment and Labour, South African Police Services, Department of Mineral and Petroleum Resources and South African Bureau of Standards.

Legislative and policy mandates

Our railway safety functions are driven by legislation. We are accountable to Parliament and the public to:

- Provide for and promote safe railway operations;
- Encourage the collaboration and participation of interested and affected parties in improving railway safety;
- Recognise the prime responsibility and accountability of operators in ensuring the safety of railway operations;
- Facilitate a modern flexible and efficient regulatory regime that ensures the continuing enhancement of safe railway operations; and
- Promote the harmonisation of the railway safety regime of the Republic with the objectives and requirements of SADC for the operation of railways.

Legislative mandate

- Railways are a critical component of the transportation network in South Africa (SA). The importance of this mode of transport is indisputable, as it enables the movement of approximately 200 million people and 148 billion tons of freight on an annual basis.
- It is the recognition of this important role that railways play in the socio-economic development of South Africa and the concern for the safety of this medium of transportation that necessitated the creation of the RSR.

- The RSR was established in terms of the National Railway Safety Regulator Act No. 16 of 2002 as amended. The organisation exists to institute a national regulatory framework for SA and to monitor and enforce compliance in the rail sector. The primary legislative mandate of the RSR is to oversee and enforce safety performance by all railway operators in SA including those of neighbouring states whose rail operations enter SA. In terms of the Act, all operators are primarily responsible and accountable for ensuring the safety of their railway operations.

Other legislative mandates

The RSR is a statutory organisation, with its mandate primarily drawn from the Railway Safety Regulator Act No. 16 of 2022 (as amended). In addition to its founding legislation, the RSR is required to comply with various legislative frameworks that influence its operations and business activities, including, but not limited to:

- Occupational Health and Safety Act (OHSA), 1993 (Act No. 85 of 1993); as amended
- Legal Succession to the South African Transport Services Act, 1989 (Act No. 9 of 1989) (as amended);
- Public Finance Management Act, 1999 (Act No. 1 of 1999) (as amended);
- National Environmental Management Act, 1988 (Act No. 107 of 1988) (as amended);
- National Disaster Management Act, 2002 (Act No. 57 of 2002)(as amended);
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013);
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000 as amended);
- Various labour legislation, including the Labour Relations Act, 2002 (Act No. 12 of 2002),
- Basic Conditions of Employment Act 2018 (Act No. 7 of 2018 as amended),
- Skills Development Act, 2008 (Act No. 37 of 2008 as amended)
- Employment Equity Act, 1998 (Act No. 55 of 1998 as amended);
- Protected Disclosures Act, 2000 (Act No. 26 of 2000); and
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).

Accordingly, the functions of the RSR are governed and executed in accordance with legislative mandates. As a result, the RSR is accountable to Parliament and the public in the fulfilment of its statutory obligations to:

- Perform its functions in a fair, equitable, transparent, efficient and cost-effective manner;
- Timeously report to the Minister and Parliament, in terms of section 29, on its activities in terms of the Act and, if necessary, provide them with information and advice to ensure the most appropriate safe railway and railway operations regulatory framework in the Republic;
- Support, promote and comply with national rail policies and the provisions of the Act;
- Monitor, promote and enforce compliance with this Act to ensure safety in railway and railway operations, including the safe transportation of dangerous goods by rail;
- Conduct research and report on future developments which may affect railway safety;
- Provide education and training and conduct public awareness activities relating to safe railway and railway operations;
- Co-operate with its counterparts in the SADC to promote the harmonisation of the safe railway or railway operations regulatory framework of the Republic with the objectives and requirements of the SADC.

Policy mandate

As a state entity, the Railway Safety Regulator (RSR) is further governed and guided by various policies promulgated and approved by the South African government across different spheres of governance. The following are some of the policy mandates that guide the work of the Regulator:

- The National Development Plan 2030 (NDP);
- The National Railway Policy 2022;
- The National Transport Master Plan 2050 (NATMAP);
- The Revised White Paper on National Transport Policy, 2018;
- The New Growth Path Framework; and
- Various national and international policies within the railway sector.

Alignment with the Medium-Term Development Plan

The Medium-Term Development Plan (MTDP) 2024–2029 serves as a roadmap for implementing and monitoring the National Development Plan (NDP) Vision 2030 over the next five years. It outlines specific actions, targets, and indicators aimed at achieving the NDP's broader goals. Adopted by the 7th Administration, the MTDP provides a clear pathway to building an inclusive society and advancing the Vision 2030 goals of eliminating poverty, reducing unemployment, and addressing inequality.

As the government's programme for transformation and development, the MTDP will guide the Government of National Unity in pursuing three strategic national priorities:

- Drive inclusive growth and job creation
- Reduce poverty and address the high cost of living
- Build a capable, ethical, and developmental state

The MTDP reinforces the commitment to pursue sustainable, accelerated economic growth by removing barriers to progress. It emphasises that growth must be inclusive and transformative, contributing to the equitable redistribution of wealth and opportunity. Special focus is placed on empowering women, youth, and persons with disabilities to ensure their full participation in the economy.

The National Development Plan 2030

The National Development Plan (NDP) is South Africa's long-term strategic vision aimed at eliminating poverty and significantly reducing inequality by the year 2030. It outlines a comprehensive and integrated approach to achieving a more equitable and prosperous society by focusing on key areas of national development.

As part of this national vision, the RSR is responsible for overseeing and promoting safety within the railway sector, ensuring that it supports inclusive economic activity and facilitates the movement of goods and people in a manner that is both secure and sustainable. By enforcing safety standards, driving innovation, and advocating for systemic improvements in rail operations, the RSR contributes directly to job creation, infrastructure development, and the strengthening of state institutions. Furthermore, the RSR's commitment to regulatory excellence, stakeholder collaboration, and capacity building reinforces the NDP's emphasis on effective governance, ethical leadership, and the need for capable institutions that deliver quality services to all South Africans.

High-level objectives to be achieved by 2030

The National Development Plan (NDP) aims to eliminate poverty and reduce inequality by 2030 through:

- Reducing the poverty rate to zero
- Lowering the Gini coefficient from 0.69 to 0.6
- Achieving at least 5.4% annual economic growth

- Creating 11 million jobs and cutting unemployment to 6%
- Enhancing education, training, innovation, and healthcare
- Reforming public services for greater efficiency
- Promoting strong leadership and active citizen participation

Enabling milestones

Of the Nineteen (19) enabling milestones listed in the NDP 2030, the RSR contributes to the eight (8) milestones listed below:

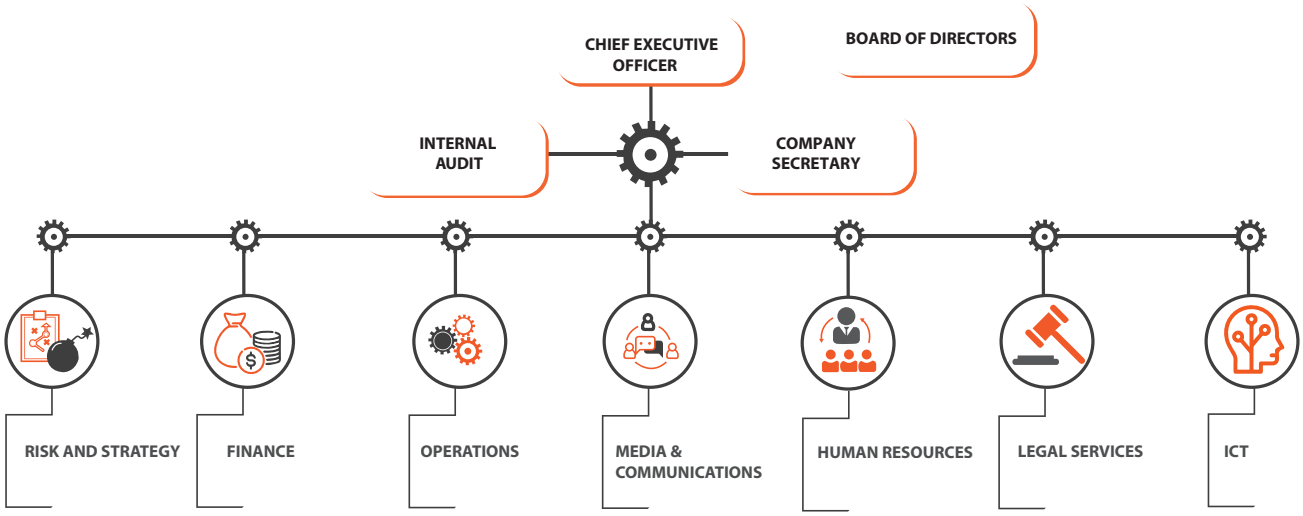
1. Increase employment from 13 million in 2010 to 24 million in 2030.
2. Establish a competitive base of infrastructure, human resources and regulatory frameworks.
3. Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
4. Establish effective, safe and affordable public transport.
5. Realise a developmental, capable and ethical state that treats citizens with dignity.
6. Play a leading role in continental development, economic integration, and human rights.
7. Invest in education and skills development
8. Create an enabling environment for small and medium-sized enterprises (SMEs) to thrive

Critical actions

Of the ten (10) critical actions listed in the NDP 2030, the five (5) listed below are the actions that the RSR contributes to:

1. A social compact to reduce poverty and inequality and raise employment and investment.
2. A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.
3. Public infrastructure investment at 10% of the gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes and loans, and focused on transport, energy and water.
4. Interventions to ensure environmental sustainability and resilience to future shocks.
5. New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.

Organisational structure





Board of directors



Mr Sisa Lunga Mtwa
Deputy Chairperson



Ms Nompumelelo Ekeke
Board Chairperson



Mr Brian Monakali
Chief Executive Officer



Adv Johannes Collen Weapond



Ms Xoliswa Njokweni-Mlotywa



Prof Tshepo Herbert Mongalo



Ms Sibusisiwe Nomfundo Molefe



Mr Lungi Maminza



Ms Milly Ruiters



Lieutenant General Peter Jacobs



Ms Sizakele Makhanya



Ms Nolitha Pietersen



Mr Tawana Mopeli



Ms Koliswa Sheburi
Acting Company Secretary

Executive committee



Mr Mmuso Selaledi
Chief Financial Officer



Mr Brian Monakali
Chief Executive Officer



Ms Rirhandzu Mashava
Chief Operations Officer



Ms Madelein Williams
Executive:
Media and Communications



Mr Bongani Sibiya
Executive: Human Resources



Ms Varsha Sewlal
Executive: Legal Services



Ms Malerato Kekana
Chief Audit Executive



Mr Tshepo Mothoagae
Chief Information Officer



Ms Mologadi Mametja
Acting Executive: Risk and Strategy



Performance Information

Auditor's Report: Predetermined objectives

The Auditor General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information, to provide reasonable assurance by means of an audit conclusion. The audit conclusion is included in the report to management and contains material findings under the Predetermined Objectives heading in other legal and regulatory requirements section of the Auditor's Report.

Refer to page **99 - 101** of the Auditors Report, published as Part F: Financial Information.

Overview of performance

Highlights

Inspections and Audits

For the period under review, the RSR conducted 443 Inspections and 236 Audits in line with ensuring safety compliance in the rail industry.

ISO 9001 and 22301 certified

Rail Safety Education and Awareness Initiatives

In line with its mandate to promote safe railway operations, the Railway Safety Regulator (RSR) implemented 48 rail safety awareness initiatives across South Africa. These campaigns were conducted at identified rail hotspots and focused on education, visibility, and stakeholder engagement. The strategic goals of these initiatives were to enhance public understanding of rail safety, increase the visibility of the RSR brand, and strengthen collaboration with industry and community partners.

Four key campaigns were held as follows:

- Winelands Light Rail Campaign (03 April 2024, Cape Town): In partnership with Stellenbosch University, Gibela, and Winelands Light Rail, the RSR engaged learners from Saint Vincent Primary School. This initiative aimed to teach children living near railway lines about safe behaviour around rail infrastructure and introduce them to potential careers in the rail industry.



- Unity Secondary School Career Day (26 July 2024, Daveyton): At the invitation of the South African Institute of Electrical Engineers (SAIEE), the RSR provided Grade 11 and 12 learners with information on careers, internships, and bursaries in the rail sector. A Level Crossing Safety Survey was also conducted, as the school is located near an active railway line.
- National Festive Season Safety Awareness Campaign (03 December 2024, Johannesburg): The RSR led a campaign at Park Station in collaboration with PRASA and other partners. The initiative targeted the high volume of commuters during the festive season, delivering critical safety messages about responsible travel behaviour.
- Level Crossing Safety Awareness Campaign (12 March 2025, Welkom and Tshepo level crossing): The RSR, along with Transnet Freight Rail, PRASA, and local authorities, conducted an intensive awareness drive at two key level crossings in the Free State. The campaign focused on educating motorists and pedestrians about the dangers of unsafe behaviour at level crossings and the importance of adhering to signals.
- These education and awareness campaigns are a key component of the RSR's proactive safety strategy, using community-based initiatives and partnerships to promote a culture of safety.
- Advancing the Rail Safety Agenda
- During the 2024/25 financial year, the RSR hosted two flagship events to promote stakeholder collaboration and continuous improvement in the rail sector.
- Annual Rail Safety Conference (ARSC): The RSR held its annual conference, which serves as a knowledge-sharing platform for stakeholders from South Africa and the broader SADC region. The event facilitates engagement on emerging safety practices, regulatory developments, and technological advancements in the rail sector.
- Inaugural Rail Industry Awards: The RSR hosted the first Rail Industry Awards to recognise outstanding contributions to the sector. The event was established to promote a culture of merit, safety leadership, and innovation within the industry.



Service delivery environment

The RSR's contribution to the government's priorities

The South African government's 2024-29 Medium Term Development Plan (MTDP) prioritised three key areas: inclusive economic growth and job creation, reducing poverty and tackling the high cost of living, and building a capable, ethical, and developmental state. These priorities are interconnected and aim to address the country's development challenge.

The Regulator's contribution can be described as follows:

Priority 1	Inclusive Economic Growth and Job Creation:
RSR Contribution	The RSR is mandated to ensure the safety of railway operations. It plays a role in the socio-economic growth and development of the country by overseeing the safety of people and freight through its vision of safe, reliable, and sustainable railway operations recognised globally. • Safe Rail Operations: RSR ensures the safety of rail operations, which is critical for a stable logistics environment supporting trade, mining, manufacturing, and tourism. • Investor Confidence: By upholding high safety standards and regulatory compliance, the RSR builds confidence among investors and operators. • Support for Emerging Operators: Through regulatory support and streamlined permitting, the RSR encourages the entry of new operators, indirectly promoting job creation.



Progress	The RSR is playing a vital role in the fight against unemployment and poverty by creating employment including internship opportunities and participating in the YES program. To realise the above the organisation: - Recruits at least 10+ graduates biannually on two-year contracts. - Recently participated in the YES program and will be partnering with the external companies by funding them to recruit/employ at least 11 youths on the 1-year contract with the intention of absorbing at least 1 youth at the end of the program. The program is intended to continue annually. • **Technology Reviews Conducted and No-Objection Approvals Granted to Operators** The RSR plays a crucial role in ensuring the safe adoption of new technologies within the rail sector. This involves conducting thorough reviews of technological systems, infrastructure, and innovations proposed by railway operators. The RSR evaluates whether these technologies meet the necessary safety standards and regulatory requirements. Upon successful review, the RSR grants "a no-objection" approvals, signifying that the proposed technologies pose no foreseeable safety risks. This process is vital for enabling railway operators to modernise their operations while ensuring that advancements in technology do not compromise safety standards within the sector. • **Safety Permit Issuance to Existing and New Entrants in the Industry** As a regulatory body, the RSR oversees the permit issuance process for both existing railway operators and new entrants in the industry. These permits authorise operators to conduct railway services in line with the safety regulations set forth by the RSR. For new entrants, the RSR performs rigorous assessments to ensure that their operations are capable of meeting safety standards. Existing operators must also demonstrate continued compliance with the regulatory framework to maintain their permits. This process safeguards the public and ensures that all operators, regardless of their experience in the industry, adhere to consistent safety requirements. • **Participation in Structures Supporting Regional Integration** The RSR actively participates in regional structures that foster cooperation and integration across the Southern African railway sector. One of the key platforms for this is the Southern African Railway Association (SARA), where the RSR supports other railway safety and regulatory bodies from neighbouring countries. The aim is to harmonise railway safety standards and regulations across the region, facilitating cross-border railway operations and ensuring uniform safety practices. The RSR's involvement in these regional structures contributes to broader goals of economic integration and transport connectivity while maintaining a strong focus on safety across borders.

	• **Create job opportunities and enhance skills among the youth, particularly in the railway sector. The RSR could:** - Implement graduate recruitment schemes by attracting skilled graduates into the railway industry through structured internship and mentorship programmes. - Offer technical training courses by providing training in railway operations, safety management, and infrastructure maintenance to equip youth with relevant skills. - Promote entrepreneurship by encouraging youth-led startups in the railway sector through business development support. - Creating more employment through learnerships and participating in the YES program. • **Empower black-owned, women-owned, youth-owned, and disability-owned businesses within the railway sector.** - Establish relationships with municipalities and communities by allocating resources to support small and medium-sized enterprises (SMEs) owned by historically disadvantaged groups in the railway industry. - Facilitate access to procurement opportunities by implementing measures to ensure equitable participation of these businesses in procurement contracts and projects. - Provide capacity building initiatives by offering training and mentorship programmes to enhance the competitiveness and sustainability of these enterprise.
Priority 2	**Reducing Poverty and Tackling the High Cost of Living**
RSR Contribution	The RSR plays a crucial role in addressing national priorities, including efforts to reduce poverty and tackle the high cost of living. The Regulator also supports the Passenger Rail Agency of South Africa (PRASA) in the resumption of critical rail corridors, aimed at providing an affordable transportation option for low-income communities. The RSR also contributes through: • Efficient rail transport by ensuring a safe and reliable rail system that reduces commuting costs and supports economic mobility, especially for working-class communities. • Preventing service disruptions by enforcing safety regulation to reduce derailments and accidents that could disrupt essential services and increase costs for passengers and freight. • The RSR timely reviews, benchmarks and aligns the employees' salary packages that are market/industry related. The RSR annually budget and offer a fair and competitive level of pay based on Consumer Price Index (CPI) to compensate for increasing cost of living and help employees to afford the basic life necessities. - Give annual increases where applicable. - Offer performance-based bonus. - Research and benchmark against the market rates. • The RSR continues to support the social development programmes by donating groceries, clothing and school uniforms to those in need.

Progress	As part of its mandate, the RSR ensures that the reopening of these rail corridors meets stringent safety standards, mitigating risks to public safety and ensuring the reliability of the rail service. By working closely with PRASA, the RSR facilitates the restoration of safe, cost-effective rail transport, which is vital for the economic mobility of disadvantaged populations, offering them access to affordable commuting options. Furthermore, the RSR actively participates in national priorities related to education, skills development, and health. It offers external bursaries for individuals pursuing critical skills required within the rail sector, while also offering bursaries to internal staff to ensure continuous professional development and value-add to the industry. By overseeing the safety and reliability of the railway system, the RSR provides an attractive alternative to private vehicles, thereby promoting government's road-to-rail strategy while reducing traffic congestion and environmental pollution. The RSR actively engages with the South African Local Government Association (SALGA) as a nodal point to municipalities. By leveraging collaborative efforts, the RSR contributes to the aforementioned priority through several initiatives including: • Rail Reserve Regulation; • Education and awareness campaigns; and • Community involvement within local communities.
Priority 3	**Building a Capable, Ethical, and Developmental State**
RSR Contribution	The RSR has developed a Code of Ethics and Conduct aimed at strengthening the fight against corruption and promoting exemplary human behaviour. In furtherance of this commitment, all staff and board members are required to mandatorily declare their financial interests and any gifts received. Additionally, the RSR has instituted a Whistleblowing hotline to facilitate the reporting of any alleged or suspected instances of fraud and/or corruption.
Progress	A key strategic focus of the RSR is good governance and clean administration, reflecting the organisation's commitment to excellence and adherence to the highest standards of ethical and accountable behaviour at all levels. By fostering a culture of transparency and accountability, the Regulator is not only safeguarding the integrity of the institution but also nurturing an environment where public trust flourishes. The RSR maintains its commitment to integrity and good governance through the following pillars: • Regulatory Excellence through professional, transparent, and efficient regulatory framework, embodying principles of good governance. • Anti-Corruption Commitment through internal systems for ethics management and whistleblower protection align with national anti-corruption strategies. • Public Sector Collaboration that works with other public entities to harmonise standards and improve state responsiveness in transport safety. • Conduct regular audits and reviews by performing internal and external audits to ensure accountability and transparency in operations. The RSR's dedication goes beyond mere regulatory compliance; it acknowledges that governance, ethics, and integrity are the cornerstones of building trust. In line with this commitment, the Regulator has developed and continues to implement the following frameworks and strategies: • Ethics Management Framework • Fraud and Corruption Prevention Framework • Safety Permit Fee Model

In implementing the MTDP, the entity must detail theresponse on prioritisation of women, youth and people with disabilities in its service delivery	The RSR's approach is guided by the principles of equity, empowerment, and accessibility, ensuring that no one is left behind in the pursuit of national development goals. In alignment with the government's commitment to economic transformation, the RSR strategically utilises its procurement spend to target designated groups, including women, youth, and small enterprises, thereby fostering inclusivity and promoting Broad-Based Black Economic Empowerment (B-BBEE) through preferential procurement from women, youth, and individuals with disabilities. The RSR also implemented a structured youth employment initiative, including the recruitment of individuals through internship programs, with the objective of providing work experience and enhancing their employability in the job market. In furtherance of its commitment to addressing youth unemployment, the RSR also participates in the Youth Employment Service (YES) program, creating additional employment opportunities. These efforts are designed to equip participants with practical skills and experience, thereby improving their long-term career prospects while contributing to national employment objectives. The RSR boasts a workforce consisting of 51% female employees, with women representing 67% of the EXCO, 18% youth representation, and 8 interns, while also setting a target of achieving 40% of its procurement through women-owned companies, demonstrating its commitment to gender equality and youth empowerment in its operations.

Over and above the stated key priorities that were announced by President Cyril Ramaphosa during the 2025 State of the Nation Address (SONA), the RSR is expected to contribute and support government's programmes including implementing bold reforms and initiatives to create a more prosperous, equitable and efficient nation for all. The 2025 SONA titled "Building a nation that works for all" and it contains the initiatives on how the government is tackling issues that concerns South Africa most i.e. unemployment, poverty and the rising cost of living, crime and corruption. By implementing the following key programmes, the RSR will not only align with the government's 2025 priorities but also contribute significantly to the nation's development goals:



Program	RSR Response
1. **Social Cohesion and Safe Communities:**	• Community Safety Campaigns: The RSR conducts outreach and education programmes to raise awareness of rail dangers, reducing fatalities in vulnerable communities. • Level Crossing Safety Initiatives: Enhancing safety at high-risk areas protects pedestrians, motorists, and schoolchildren, contributing to safer public environments. • Community Partnerships: Working with local councils and traditional leadership in rail corridors fosters public trust and inclusivity.
2. **Education, Skills, and Health:**	The RSR offers the following sub-programs in support of education, skills development, and employee well-being: • Youth skills development through internships, graduate training, and bursaries in railway engineering, safety auditing, and compliance. • Staff capacity building through continuous professional development ensures that staff have the technical and regulatory knowledge needed for high-impact service delivery. • Health & wellness promotion through employee wellness programmes and mental health support initiatives promote a healthy public service workforce.
3. **Consolidating the Social Wage**	The RSR contributes to the Improving shared social support and public benefits through: • Participation to public welfare by ensuring safer, affordable transport options through oversight of commuter rail. • Safety focused interventions that are often targeted in poorer communities that depend heavily on rail transport. • Protection of vulnerable groups by developing and enforcing policies and standards that integrate accessibility and safety needs for the elderly, women, children, and people with disabilities.



4. Infrastructure Development	The RSR could contribute to the national infrastructure development goals by modernising railway safety systems and modernise service delivery through digital platforms and ensuring accessibility for all citizens: • Develop a digital identity system by implementing a secure digital identity system to streamline interactions with the RSR and other government services. • Launch a user-friendly online platform by creating an intuitive digital platform for the public to access railway safety information, report issues, and provide feedback. • Ensure accessibility standards by adopting universal design principles to make digital services accessible to individuals with disabilities • Upgrade Signalling Systems by investing in advanced signalling technologies to enhance safety and efficiency in railway operations. • Modernise passenger services by introducing a new system of locally produced trains and improved station facilities to provide safer and more comfortable travel experiences. • Collaborate with State-Owned Enterprises (SOEs) by working closely with entities like PRASA and TFR to align safety standards and infrastructure development efforts.
5. Fiscal Sustainability	The RSR maintains fiscal sustainability through the following key approaches: • Revenue Generation – Sustaining operations through permit fees and administrative charges, thereby reducing dependence on government funding. • Cost-Effective Regulation – Employing risk-based regulation and targeted audits to maximise regulatory impact while ensuring financial efficiency. • Support for Economic Efficiency – Enhancing operational safety and reducing accident-related losses to generate cost savings for both the public and private sectors.

The RSR's alignment to the DoT priorities for the year under review is depicted below:

OUTCOME	INTERVENTION	INDICATOR	RSR CONTRIBUTION
Increased infrastructure investment, access, efficiency and costs	Freight Logistics Roadmap implemented to enable private sector investment and participation in port and rail, increasing competition and efficiency, while ensuring infrastructure remains state-owned.	Enhanced connectivity and access	Technology reviews conducted and no-objection approvals granted to operators Permit issuance to new entrants in the industry
			Interface agreement standard developed and implemented
Increased investment, trade and expand tourism	The African Continental Free Trade Area implemented to increase exports to the rest of the continent	• African trade boost • Market access • Regional integration	Technology reviews conducted and no-objection approvals granted to operators The RSR participates in structures to support regional integration (SARA, RRSA)



Organisational environment

During the reporting period, the RSR successfully achieved 88% of the targets outlined in its Annual Performance Plan, reflecting its commitment to strategic execution and service delivery. Guided by international best practices in railway safety management, the RSR remains steadfast in its mission to lead the railway industry in mitigating operational risks and fostering a safety culture that drives continuous improvement. The organisation's strategic priorities for risk reduction are articulated in its 2025/30 Strategic Plan, which outlines clear objectives aligned with the evolving rail safety landscape.

As part of its regulatory mandate to protect the interests of rail users, the RSR emphasises transparency, evidence-based decision-making, and robust governance processes. In addition to its domestic responsibilities, the Regulator continues to play a regional leadership role by providing advisory, training, and capacity-building support to fellow safety regulators and operators across the Southern African Development Community (SADC). Through these efforts, the RSR contributes to the development of harmonised and effective railway safety frameworks across the regions.

The following functions were undertaken to ensure the successful execution of the RSR's mandate:

- **Human Resources and Financial Support Functions**

  The RSR's Human Resources department continues to be instrumental in fostering institutional stability, promoting collaboration, and ensuring functional integration across the organisation. Emphasising the importance of continuous professional development, the department actively encourages and facilitates employee training and development programs to enhance organisational capacity.

  The Finance department upholds rigorous financial management practices, ensuring compliance with the government's budget cycle. By endorsing all financial information, the department contributes to qualitative improvements in the RSR's operations, grounded in the principles outlined in the Supply Chain Management (SCM) Policy. The SCM system remains focused on effectiveness, efficiency, transparency, competitiveness, and fairness.

- **Safety Permits and Safety Management Systems (SMS)**

  In line with the Railway Safety Regulator Act 16 of 2022 (As amended) the RSR plays a pivotal role in issuing safety permits and overseeing the implementation of Safety Management Systems (SMS). These systems serve as the legal interface between the RSR and railway operators, fostering a collaborative environment aimed at continuous safety improvements. Annually, the RSR evaluates Annual Safety Improvement Plans and SMS Reports submitted by operators, providing directives and interventions to enhance safety within the operational environment.

- **Inspections, Audits, and Safety Assessments**

  The RSR maintains its mandate to conduct comprehensive inspections and audits, serving as the oversight authority in the railway industry. Through strategic initiatives, the RSR assesses operators' safety systems and processes, identifying areas for improvement and providing actionable recommendations to promote safe rail operations.

  Additionally, the RSR conducts safety assessments for new works and technological developments, ensuring that safety considerations are integrated into all phases of railway projects. These assessments aim to prevent safety compromises during the revitalisation of the local industry and to address potential impacts within the immediate and systemic operational environments.

- **Investigation of Railway Occurrences**

  To drive safety improvements and reduce occurrences, the RSR investigates incidents leading to significant losses, including fatalities, injuries, and major property damage. By identifying root causes, the RSR develops strategies to prevent recurrences. Operators are mandated to report all occurrences, enabling the RSR to consolidate analyses and provide tools and strategic direction to address safety challenges effectively.

- **Enforcement of Compliance**

The RSR issues notices of non-conformance and non-compliance to operators, indicating conditions within their systems that fail to meet established safety standards. In cases of non-compliance with the Act and adopted safety standards, the RSR imposes penalties, reinforcing the commitment to maintaining high safety standards across the railway sector.

- **Promotion of Occupational Health, Safety, and Security**

  Addressing occupational health, safety, and security issues that impact railway safety, the RSR conducts investigations, audits, and inspections. Legal requirements pertaining to occupational health and safety are incorporated into the Human Factors Management Standard, which is continuously promoted during technical workshops conducted by the RSR, fostering a culture of safety awareness among stakeholders.

- **Collaboration with Relevant Organs of State**

  In line with provisions with the National Railway Safety Regulator Act, the RSR has established cooperative agreements with relevant state organs to enhance safety performance and oversight functions. These agreements aim to eliminate duplication where dual jurisdiction exists and promote collaboration. The RSR has concluded 12 cooperative agreements, nine with various government departments and three with industry associations, all focusing on ensuring rail safety.

- **Regional Leadership and Harmonisation**

  The RSR plays a leading role in aligning South Africa's railway safety regime with those of the Southern African Development Community (SADC). Through the Southern African Railways Association (SARA), the RSR facilitates workshops to adapt South African standards for regional application, promoting harmonisation and regional integration in railway safety practices.

- **Data Management and Analysis**

  The RSR has established a National Information and Monitoring System (NIMS) to manage and analyse safety-related data. This system includes registers of safety permit holders and railway occurrences, among other critical information. Regular analysis of this data enables the RSR to identify major safety risks and implement targeted actions, such as inspections, audits, investigations, and awareness campaigns, to enhance operational safety within the South African rail environment.

Key policy developments and legislative changes

The new Act, the Railway Safety Act, No. 30 of 2024

In 2021 government initiated the process to develop the Railway Safety Act. The Act repeals the National Railway Safety Regulator Act, No. 16 of 2002 (as amended). The new Railway Safety Act, No. 30 of 2024, was assented to by the President of the Republic of South Africa in December 2024 and is currently awaiting proclamation. The Act aims to provide for:

- The regulation of railway safety in the Republic
- The continued existence of the RSR
- Railway safety permits
- Railway safety critical grades and safety management systems
- A national railway safety information and monitoring system
- A legal framework to enforce compliance with the Act and deal with railway occurrences
- An appeal mechanism
- Transitional arrangements and the repeal of the National Railway Safety Regulator Act, 2002; and to provide for matters connected herewith.

In preparation for the efficient implementation of the new Railway Safety Act, the RSR has undertaken proactive measures to align its operations with the updated legislative requirements. Key among these initiatives is the development of a comprehensive framework for Safety Critical Grades, aimed at enhancing the regulation of roles and competencies directly impacting railway safety. This framework will provide clear guidelines on the classification, training, certification, and ongoing assessment of individuals performing safety-critical functions.

Additionally, the RSR is strengthening its internal capacity

by mobilising and optimising resources, including specialised personnel, systems, and technological tools, to ensure the full and effective implementation of the Act. The Regulator is also engaging with industry stakeholders through collaborative platforms to promote awareness, facilitate compliance, and align operational practices with the new regulatory environment. These efforts reflect the RSR's commitment to fostering a safer, more resilient, and sustainable railway sector in South Africa.

Economic Regulation of Transport Act, No. 06 of 2024

The Economic Regulation of Transport Act, No. 06 of 2024, signed into law on June 11, 2024, establishes the Transport Economic Regulator (TER) to oversee pricing, access, and service quality across all transport sectors, including rail. While the TER focuses on economic regulation, the RSR continues to uphold safety standards. Coordination between these bodies is crucial to balance economic efficiency with safety compliance, especially as the rail sector opens to private operators.

Considering the above developments, the RSR is steadfast in ensuring these developments reflect a concerted effort to modernise South Africa's rail sector, integrating safety with economic reforms to create a more efficient and secure transport system



Progress towards achievement of institutional impacts and outcomes

The RSR is an agency of the DoT that regulates and oversees railway safety, conducts audits and inspections, and investigates accidents and incidents related to railways to ensure safe railway operations in South Africa and neighbouring countries.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASONS FOR DEVIATIONS
1.1	Railways are safer	Industry safety risk profiling towards increased critical risk mitigation decisions	Industry safety risk profile developed	Railway risk matrix developed	SRM platform developed and available for use	Not Achieved	SRM platform development still in progress	The project was delayed and a recovery plan implemented.
1.2	Railways are safer	Industry-consulted risk assessment tools and methodologies	Common Safety Methods developed and tested	CSM-RA draft regulatory tool (determination/ standard/ guideline) published for comments	CSM-RA implementation assessment	CSM-RA implementation assessment	None	None
1.3	Railways are safer	Industry-consulted risk assessment tools and methodologies	Common Safety Methods developed and tested (Supervision)*				None	None
1.4	Railways are safer	Industry consulted risk assessment tools and methodologies	Implementation of railway management maturity assessments	14 RM3 assessment reports for Class A mining operators	Maturity level assessment for PRASA, Transnet and BOC (to check for improvement)	Maturity level assessment for PRASA, Transnet and BOC (to check for improvement)	None	None
1.5	Railways are safer	Industry consulted risk assessment tools and methodologies	Interface Agreements aligned with operational risks	Draft Interface Agreement Standard developed	Interface Agreement Standard adopted by the RSR Board	Interface Agreement Standard adopted by the RSR Board	None	None
1.6	Railways are safer	Industry consulted risk assessment tools and methodologies	Developed and implemented RSR Standard on Verbal Safety Critical Communications	VSCC RSR Standard adopted			None	None
1.7	Railways are safer	State of safety interventions	Research Reports published	Two research papers published on the RSR website	Three topical research papers published	Three topical research papers published	None	None

NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASONS FOR DEVIATIONS
1.8	Railways are safer	Service provider accreditation	Accreditation of training service providers	-	Framework for Accreditation of training service providers approved	Framework for Accreditation of training service providers approved	None	None
2.1	Good governance and clean administration	To secure an adequate operational financial base	Financial sustainability plan developed and implemented	Implementation of financial sustainability plan actions due by year-end	Revised financial sustainability plan developed including new interventions	Revised financial sustainability plan developed including new interventions	None	None
2.2	Good governance and clean administration	Implementation of Permit fee model	Permit fee model determination implemented	-	Permit Fee Model Determination developed and implemented	Permit Fee Model Determination developed and implemented	None	None
2.3	Good governance and clean administration	To monitor and track the effectiveness of RSR compliance initiatives	New NIIMS build and maintained	NIMS maintained and uptime at 99%	100% of NIIMS Modules developed and available for use	100% of NIIMS Modules developed and available for use	None	None
2.4	Good governance and clean administration	Organisational Excellence improved	Employee engagement improved	Employee Satisfaction improved. Action plan developed and implemented	5% Employee satisfaction improved through Engagements.	5% Employee satisfaction improved through Engagements.	None	None
2.5	Good governance and clean administration	Growing investment	Growing investment	Current ratio 1,53:1	Current ratio of 1:1	Current ratio of 1:1	None	None
2.6	Good governance and clean administration	ISO (QMS) related policies ISO (QMS) Audit Reports	ISO (QMS) related policies ISO (QMS) Audit Reports	ISO 9001:2015 certification	ISO compliance audit conducted	ISO compliance audit conducted	None	None
2.7	Good governance and clean administration	Clean administration	Clean administration	Clean audit	Clean audit outcome	Not Achieved	Clean Audit not achieved	Findings raised in the Internal Audit

NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASONS FOR DEVIATIONS
3.1	Improved stakeholder service	To influence safe railway behaviour	Number of safety awareness initiatives conducted	43 Railway safety awareness initiatives conducted	48 safety awareness initiatives conducted	48 safety awareness initiatives conducted	None	None
3.2	Improved stakeholder service	To measure the impact of railway safety awareness initiatives	Effectiveness and impact of awareness initiatives	-	Effectiveness survey conducted and outcomes reported	Effectiveness survey conducted and outcomes reported	None	None
3.3	Improved stakeholder service	To promote safety consideration during new investments through annual industry safety thematic interventions	Annual industry safety interventions conducted	Annual Rail Safety Conference conducted	Annual Rail Safety Conference conducted	Annual Rail Safety Conference conducted	None	None
3.4	Improved stakeholder service	Regular engagement with organised labour and interested parties to encourage collaboration towards improved railway safety of employees, commuters and the public	Stakeholder forums implemented	8 Stakeholder forum discussions conducted	8 Stakeholder forum discussions conducted	8 Stakeholder forum discussions conducted	None	None

Linking performance with budgets

In assessing the achievement of the outputs in comparison with the planned targets, the Regulator must consider the linkages and the relation to the resources available to it, particularly the financial resources. Therefore, the following financial information is presented. The financial information must agree with the information in the Annual Financial Statements.

No	Output Indicator	Annual Target	2023/24			2024/25		
			Budget	Actual Expenditure	(Over)/ Under expenditure	Budget	Actual Expenditure	(Over)/Under expenditure
			R	R	R	R	R	R
1.1	Industry safety risk profile developed	SRM platform developed and available for use	11 329 705	7 466 099	3 863 606	8 242 031	5 350 046	2 891 985
1.2	Common Safety Methods developed and tested	CSM-RA implementation assessment	7 729 705	3 866 099	3 863 606	8 242 031	5 626 048	2 615 983
1.3	Common Safety Methods developed and tested (Supervision)*		-	-	-	-	-	-
1.4	Implementation of railway management maturity assessments	Maturity level assessment for PRASA, Transnet and BOC (to check for improvement)	7 729 705	3 866 099	3 863 606	8 242 031	5 626 048	2 615 983
1.5	Interface Agreements aligned with operational risks	Interface Agreement Standard adopted by the RSR Board	7 729 705	3 866 099	3 863 606	8 242 031	5 626 048	2 615 983
1.3	Common Safety Methods developed and tested (Supervision)*		-	-	-	-	-	-
1.6	Developed and implemented RSR Standard on Verbal Safety Critical Communications		3 919 063	681 520	3 919 063	-	-	-
1.7	State of safety interventions	Three topical research papers published	7 729 705	3 866 099	3 863 606	8 242 031	5 626 048	2 615 983
1.8	Accreditation of training service providers	Framework for Accreditation of training service providers approved	7 729 705	3 866 099	3 863 606	8 242 031	5 626 048	2 615 983

No	Output Indicator	Annual Target	2023/24			2024/25		
			Budget	Actual Expenditure	(Over)/ Under expenditure	Budget	Actual Expenditure	(Over)/Under expenditure
			R	R	R	R	R	R
2.1	Progress made in revising the permit fee model developed in 2014/15	Revised financial sustainability plan developed including new interventions	10 828 160	7 671 455	3 156 705	12 841 934	9 833 732	3 008 201
2.2	Permit fee model determination developed	Permit Fee Model Determination developed and implemented	11 128 160	7 971 455	3 156 705	12 841 934	9 833 732	3 008 201
2.3	New NIIMS build and maintained	100% of NIIMS Modules developed and available for use	12 334 160	9 177 455	3 156 705	5 000 000	4 167 195	832 805
2.4	Employee engagement improved	5% Employee satisfaction improved through Engagements.	10 828 160	7 671 455	3 156 705	12 841 934	9 833 732	3 008 201
2.5	Surplus funds	Current ratio of 1:1	10 828 160	7 671 455	3 156 705	12 841 934	9 833 732	3 008 201
2.6	ISO 9001: 2015 Certification	ISO compliance audit conducted	11 428 160	8 271 455	3 156 705	12 841 934	9 833 732	3 008 201
2.7	Number of material audit findings	Clean audit outcome	10 828 160	7 671 455	3 156 705	12 841 934	9 833 732	3 008 201
3.1	Number of safety awareness initiatives conducted	48 safety awareness initiatives conducted	5 654 599	5 016 734	637 866	4 675 828	4 242 026	433 803
3.2	Effectiveness and impact of awareness initiatives	Effectiveness survey conducted and outcomes reported	5 654 599	5 016 734	637 866	4 675 828	4 242 026	433 803
3.3	Annual industry safety interventions conducted	Annual Rail Safety Conference conducted	7 654 599	7 016 734	637 866	7 755 193	7 698 379	56 814
3.4	Stakeholder forums implemented	8 Stakeholder forums implemented	5 654 599	5 016 734	637 866	4 675 828	4 242 026	433 803

Strategy to overcome areas of under performance

Below is the tabling depicting interventions/ strategies to address under performance in the APP targets of the RSR:

Target Name	Target Description	Reason for under performance	Planned intervention	Additional strategies
Safety Risk Model (SRM)	The Safety Risk Model (SRM) is a strategic framework developed by the Railway Safety Regulator (RSR) to proactively assess and manage safety risks in South Africa's railway network. The model enables the RSR to allocate resources efficiently, guide inspections, and support risk-based regulation to improve rail safety outcomes across the country	The project was delayed and a recovery plan implemented.	A revised project plan and a recovery plan is being implemented accordingly	None
Clean Audit Outcome	An audit outcome is issued by the Auditor-General when an institution's financial statements are free from material misstatements, there are no material findings on compliance with key legislation, and adequate internal controls are in place. It reflects excellence in financial management, governance, and accountability within a public institution.	Clean audit outcome for 2023/24 not achieved due to material finding.	Audit implementation plan to be developed based on the audit management report and will be implemented accordingly	None

Institutional programme performance information

The Railway Safety Regulator (RSR) is strategically focused on enhancing regulatory effectiveness through data-driven oversight, collaborative stakeholder engagement, continuous skills development, the integration of innovative technologies, and the strengthening of internal governance and operational efficiency. In addition, the RSR contributes to addressing poverty and its broader impacts by improving access to employment opportunities, enhancing the social wage, upgrading public transport systems, and supporting increased incomes in rural communities.

Outcome 1: Railways are safer

MTDP PRIORITY	Drive inclusive growth and job creation		
OUTCOME	**OUTCOME INDICATOR**	**BASELINE**	**5-YEAR TARGET**
Railways are safer	The following indicators will be utilised to mitigate risks of occurrences by establishing a collaborative risk-based regulatory approach to oversee, monitor and enforce railway safety: - State of Safety Report - Audit and inspection reports - Regulatory instruments issued	Safety risk model scope developed	Safety risk model implementation

Outcome 2: Good governance and clean administration

MTDP PRIORITY	To reduce poverty and tackle the high cost of living		
OUTCOME	**OUTCOME INDICATOR**	**BASELINE**	**5-YEAR TARGET**
Good governance and clean administration	We strive for excellence by enriching our governance processes, ensuring compliance with laws and regulations. This will be achieved through developing an excellent organisation that is financially sustainable, by means of these indicators: - Effective internal audit mechanisms - Effective risk management practices - Monitoring and reporting practices	Unqualified Audit Opinion	Clean audit

Outcome 3: Improved stakeholder services

MTDP PRIORITY	Build a Capable, ethical and developmental state		
OUTCOME	**OUTCOME INDICATOR**	**BASELINE**	**5-YEAR TARGET**
Improved stakeholder service	Targeted campaigns, awareness, promotion initiatives and collaboration between stakeholders.	20 safety promotion Initiatives conducted	210 safety promotion Initiatives conducted

Revenue collection

Sources of revenue	2023/24			2024/25		
	Estimate	Actual Amount Collection	Over/Under Collection	Estimate	Actual Amount Collection	Over/(Under) Collection
	R	R	R	R	R	R
Permit Fees	189 941 623	188 110 753	(1 830 870)	197 150 807	196 504 394	(646 413)
Investment Income	10 141 903	10 619 899	477 996	8 328 000	9 848 814	1 520 814
Penalties	-	501 450	501 450	-	482 500	482 500
Grant Income	76 086 000	76 086 000	-	79 503 000	79 503 000	-
Other income	21 645 830	23 664 127	2 018 297	2 581 017	3 845 995	1 264 978
Total	**297 815 356**	**298 982 229**	**1 166 873**	**287 562 824**	**290 184 703**	**2 621 879**

1. The entity maintained a consistently high bank balance by ensuring that payments to suppliers were made only when the invoices became due. This approach allowed available funds to remain in the interest-earning account for longer periods, thereby maximising interest income.
2. RSR does not budget for penalties.
3. The RSR received a higher than anticipated conference and sponsorship fees for the 2024 Annual Rail Safety Conference (ARSC).

Capital investment

The RSR is a PFMA Schedule 3A Public Entity with the DoT as its only shareholder. Assets are managed in line with the RSR's Asset Management Policy. Furthermore, the Regulator has not embarked on any infrastructure projects nor has it closed or downgraded facilities during the year.

Infrastructure projects	2023/24			2024/25		
	Budget	Actual expenditure	(Over)/ Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	R	R	R	R	R	R
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**




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Governance

Introduction

Corporate governance embodies processes and systems that public entities are directed, controlled and held to account by. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance as it relates to public entities, is applied through the precepts of the Public Finance Management Act (PFMA) in tandem with the principles contained in the King Report on Corporate Governance.

Parliament, the Executive, and the Accounting Authority of the public entity are responsible for corporate governance.

Portfolio committees

The RSR appeared before the Portfolio Committee on Transport where the Annual Report and State of Safety Report were presented to the members of the Committee. The organisation briefed the Committee on challenges encountered with compliance by the industry and the measures it has adopted to mitigate the challenges.

Executive authority

The organisation submits all quarterly reports to the Executive Authority and National Treasury (NT) in compliance with the NT frameworks. All quarterly reports for the 2024/25 FY were submitted within 30 days after the end of each quarter.

The accounting authority / board

Introduction

The Board of the National Railway Safety Regulator is committed to ensuring that it complies with the letter and spirit of the legislative prescripts applicable to the National Railway Safety Regulator (hereinafter referred to as "RSR").

The RSR Board sets the tone and leads the organisation with integrity, efficiency, and accountability. The Board is responsible for ensuring that management cultivates an ethical culture that all employees adhere to. This necessitates agile, decisive, and ethical business leadership in these unprecedented times.

The RSR has been able to withstand difficult economic conditions over the years due to its adherence to sound financial principles and a robust corporate governance culture. The Board is committed to ensuring that the regulator play a central role in society by fostering transformation, economic growth, national expansion, and development. We are committed to continually enhancing our corporate governance processes in accordance with best practices in order to enhance railway safety.

To the extent applicable and relevant to the RSR, the Board subscribes to the principles of good governance as set out in the King Report on Governance in South Africa, 2016 (King IV) and recognises these as fundamentally important to the success and continued sustainability of the organisation. Good Governance, amongst others, ensures that resources and business activities throughout the organisation are focused on attaining the objectives of the organisation. The Board leads by example and has adopted a code of ethics as well as a code of conduct to commit to writing the business practices which the organisation will follow, and this sets the standards of behaviour required by others within the organisationr. The Board ensures that an ethical culture is imbued in its culture, strategy, plans and performance of the organisation.

Effectiveness, strategy, and reporting

The RSR Board assumes responsibility for the organisation's performance. Thus, the Board assists the regulator in defining our mission and achieving our strategic objectives. The Board of Directors constantly monitors the macro environment, risks, and opportunities, as well as the requirements of our stakeholders, which inform our strategy. We continually strive to improve reporting standards through transparency and compliance with applicable reporting frameworks and best practices. We intend to provide all stakeholders with all the relevant, material and timely information.

The role of the Board is as follows:

The Board is the focal point of and custodian for corporate governance and consists of 12 Non-executive Directors and one Executive Director with an appropriate balance of knowledge, skills, experience, diversity, and autonomy. This enables our Board to fulfil its governance responsibilities objectively and efficiently. All Board members are suitably qualified for their roles as Directors and possess extensive business experience and specialised skills in a variety of fields, including rail safety, governance, human resources, compensation, information and communication technology, finance, legal, and transportation and logistics. Open and frank dialogue that scrutinises decisions, fosters consensus, and demands accountability is encouraged.

The roles and responsibilities of the Independent Non-executive Chairperson and the Chief Executive Officer have been clearly defined and are distinct to ensure checks and balances in decision making. The Non-Executive Directors utilise their experience, expertise, and business acumen to ensure impartial and objective perspectives in decision-making processes and ethical standards. There is a clear balance of power and authority at the Board level to ensure that no single Director possesses unrestricted decision-making authority.

The Board delegates certain functions to five (5) well-structured committees without evading its own responsibilities. In each committee's Terms of Reference, the committee's composition and duties, responsibilities, and scope of authority are specified.

Board Charter

The Board has adopted the King IV Code of Corporate Governance to guide the organisation's principles. The RSR's corporate governance framework is centred on the Board, which is ultimately accountable for the performance and business affairs of the Regulator.

To this end, the Board Charter and the code of conduct ensure the RSR is managed and controlled effectively by a leadership team committed to integrity and acting in the best interests of all stakeholders. The Board is diligent in protecting the Regulator's reputation and upholding the highest ethical standards. As a values-driven organisation, the RSR periodically reviews its values in consultation with staff and stakeholders to ensure alignment.

A strict code of conduct is enforced, requiring all members to adhere to established standards that advance the RSR's objectives. The Regulator maintains a zero-tolerance policy for bullying, harassment, and discrimination.

The Board, through the Board Committees and Executive Management oversight, makes sure that the organisation's efforts at responsible corporate citizenship include adherence to its own codes of conduct and policies as well as the laws, leading standards, and the South African Constitution. The Board is responsible for establishing the organisation's strategic direction and implementing a framework of controls, rewards, and incentives to guide the pursuit of long-term value. Exercising its oversight through various committees and Executive Management, the Board ensures the Regulator functions as a responsible corporate citizen. This governance mandates full compliance with the South African Constitution, applicable laws, leading standards, and internal policies. Central to this approach is the cultivation of lasting stakeholder relationships. The Board upholds a robust communication framework to balance stakeholder needs and expectations, thereby securing the organisation's long-term success.

The Board exercises its stewardship of the RSR by overseeing management's implementation of Board-approved strategies. This ensures the organisation maintains the highest standards of ethical conduct and complies with all relevant laws, regulations, audit and accounting principles, and internal governing documents. To facilitate this, the Board is assisted by the Social and Ethics, Audit and Risk, Human Resource, and Safety Committees.

Key governance frameworks approved by the Board include:

- Risk Management: A formal framework that articulates and implements the Board's official risk policy.

- Information and Communications Technology (ICT): A clear policy on the use of technology, with oversight provided by a dedicated Board ICT Committee. This committee meets quarterly to review technological developments and the execution of the ICT Strategy, the operational aspects of which are managed by internal and external resources under the direction of management.

- **Board Evaluation**

  The Board Performance review was conducted between 03 February 2025 and 02 April 2025. The conclusion of the evaluation has yielded an overall effectiveness score of 82%, which reflects a "Good" performance rating. This result surpasses the public sector benchmark of 72%, indicating that the Board is functioning well and in compliance with key governance expectations.

  While the overall outcome is positive, the Board Evaluation Report also identifies targeted areas where improvements can be made. These areas have been comprehensively addressed in the Board Evaluation Action Plan which the Board will actively monitor and implement as part of its commitment to continuous improvement.



Composition of the Board

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Ms Nompumelelo Ekeke	Non-executive director and Board Chairperson	06/08/2020 Re-appointment (12/12/2023)	Contract ended 11/12/2023	• Master's Degree in Disaster Management (UFS) • Advance Diploma Disaster Management (UFS) • BEd Adult and Community Education (UJ) • BA English and Geography (UNISA) • Teachers Diploma (Transvaal Teachers College) • Diploma Human Resource and Management (Varsity College)	• Design and implementation of strategic planning • Communications plans • Disaster management • Project management Strategic Stakeholder engagement and planning • Occupational health and safety • Training and capacity building • Development and implementation disaster assessment and strategy • Writing research papers. implementation of strategic planning • Moderating academic work on the following: - Pre-moderation of examination papers and memorandums - Moderation of examination and special examination answer scripts			10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Mr Sisa Lunga Mtwa	Non-Executive Director and Deputy Chairperson	06/08/2020 Re-appointment (12/12/2023)	Contract ended 11/12/2023	• BSc (Fort Hare) • BSc (Chem Eng.) (UCT) • Global Executive Development Programme (GIBS) • Certificate in Directorship (IoDSA) Fellow membership (IoDSA) • Strategic Leadership Coaching • (UCT - GSB)	• Business leadership and direction • Business strategy development and execution • Business transformation and turnaround • Corporate governance, risk management and compliance • Engineering and technical management • Management systems development • Manufacturing operations management • Transport and logistics business leadership Strategic leadership coaching and mentoring	• Non-executive: Africa Rising & Leadership Practitioners • Principal Member: Terbilogix cc		10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Adv Johannes Collen Weapond	Non-executive director	06/08/2020 Re-appointment (12/12/2023)	Contract ended 11/12/2023	• B. Iuris – UNISA • Bachelor of Laws (LLB) (UNISA) • B. Tech Policing (TUT) • Post Graduate Certificate in Computer Forensics (UNISA) • BCom Honours Information Technology (UCT) • Diploma in Compliance Management (UP) • Programme in Fraud Management (RCE) • Diploma in Education, SP III • Business Management Training College of Southern Africa (BMTCSA) • Diploma in Business Management (UNISA) • Masters in Forensics (Coursework completed) (CPUT) • Masters in IT (Coursework completed) • Masters in business systems (coursework completed) (Wismar Hoschule University)	• Corporate governance • Strategic management • Monitoring the implementation of action plans • Development and implementation of risk mitigation measures • Risk management oversight • Monitoring the implementation of strategic and operational risk • Legal and information technology management • Criminal profiling and investigation; corporate investigation; compliance and fraud management. • Forensic and fraud investigation	• Chairperson: Department of Communication and Digital Technologies • Chairperson: Free State Department of Education • Chairperson: Gauteng Provincial Audit Committee Cluster (5)	• RSR HRRC: Chairperson • RSR Safety Committee	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Ms Xoliswa Njokweni - Mlotywa	Non-executive director	11/12/2023	N/A	• BSC Civil Engineering: Hons: UKZN • Multi-Disciplinary Railway Engineering Certificate: UP • Asset Management and Maintenance Certificate: UP • Development Finance Certificate: • Financial Management Certificate: WITS Business School • Project Management PM BOK Certificate: Project Management Institution • Project Finance Certificate: EUROMONEY • Contract Management & Administration Certificate: ALUSANI	• Railway Engineering • Development Finance • Project finance • Strategy • Project management • Development Facilitation	• DoT ITB-BBEE Council Member	• RSR ICT Member • RSR SEC Member	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Mr Lungi Maminza	Non-Executive Director	12/12/2023	N/A	• RSM Erasmus University, Netherlands (Rotterdam) & Exchange CIEBS, • China: Master of Business Administration (Finance concentration) • BSc. Elec Eng: University of Cape Town • Certificate in Maintenance Management: Augsburg Hochschule in Germany • MBA(Finance): University of Erasmus RSM, Netherlands • MBA(Finance): University of Erasmus RSM, Netherlands	• Railway Industry experience: Maintenance, planning, and logistics; infrastructure renewal planning and project execution • Managing real Estate and commercial building assets of the Rail business • Industrial Relations (restructuring and optimizing; • Wage negotiations and skills development programs) • Supply Chain and procurement	-	• RSR Chairperson: Safety Committee • RSR SEC	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Mr Tawana Mopedi	Non-Executive Director	12/12/2023	N/A	• BA Masters Social Science: Labour Policy and Globalisation (Wits University) • BA (Hons) Social Science: Labour Policy and • Globalisation (Wits University) • BA (HONS) Business Studies (University of Greenwich • BTech Higher National Diploma in Business • International Diploma in Business (National Computing Centre (UK)) • Occupational Certificate: Professional Principal Executive Officer (Retirement Fund Trustees), Level 5 (BATSETA • Retirement Fund Trustee Online Training/ Trustee Toolkit (Financial Sector Conduct Authority (FSCA) • Certificate of Competence: Skills Development Facilitator; • Level 5 (D&D Institute)	• Strategic Human Resource Management and Development • Management of an Organisation • Strategic Planning and Organisational Development • Advisory: socio-economic, negotiations, and collective bargaining • Stakeholder Relations Management/ Relations. • Management: education, training, and facilitation	• Non -Executive Director: Transport Sector Retirement Fund (TSRF)	• Road Freight and Logistics Industry: Trustee • Trustee RFLIPF Unclaimed Benefits Preservation Provident Fund • TSRF: Chairperson of Death Benefit Disposal Subcommittee • TSRF: Trustee Investment Subcommittee • TSRF: Trustee Legal and Risk Subcommittee • RSR SAF Member • RSR HRRC Member	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Ms Sizakele Makhanya	Non-Executive Director	12/12/2023	N/A	• Masters in International Relations (MA-IRL): Oxford Brookes University • BA Honours in Political Science: University of Durban Westville/ UKZ • BA: University of Durban Westville • Nyukela Certificate: NSG • Peacekeeping Mission Certificate: Wits • Advanced Project Management Certificate: University of Pretoria • Tarrifs Managent Certificate: University of Cape Town	• Fiduciary duties and strategy oversight for Transport Public Entities • Strategic Human Resources, Remuneration, and Governance (incl. Social & Ethics) • High-level engagement, negotiation, and conflict resolution • Tribunal judgement writing and decision records • Executive Office Management and strategic administration • Coordination of state administration, Cabinet, Parliament, and Public Entities • International relations, diplomatic protocol, and legal state agreements • Project and Programme Management (incl. High-Level Summits & Peacekeeping Missions) • Strategic Business Development, Planning, and Marketing • Report Writing, Strategic Presentations, and Communication Management	-	• RSR SEC Member • RSR HRRC Member • Non-Executive Director: Port Regulator South Africa	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Ms Nomfundo Molefe	Non-Executive Director	12/12/2023	N/A	• Bachelor of Social Worker: UNISA • Master's in Business Leadership: School of Business, UNISA • Bachelor of Laws (LLB): UNISA • Health System Management: GALILEE • Diploma in Nursing Administration: UINSA • Bachelor of Arts in Nursing: UNISA • Diploma in Psychiatric Nursing: Madadeni Hospital • Diploma in Midwifery: Edendale Hospital • Diploma in General Nursing	• Strategic Planning of Educational Program • Legal Advice and Training in Legal or Paralegal work and Consultant in Labour Relations matters • Build Effective teams to achieve organizational goals, in a professional, productive environment • Corporate Governance	• AARTO Appeal Tribunal • The Brain Injury Trust	• RSR SEC Member • RSR HRRC Member	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Ms Nolitha Pitersen	Non-Executive Director	12/12/2023	N/A	• Chartered Accountant • Master of Business Administration: NMMU Business School • BCom (Accounting Honours) and CTA: University of Johannesburg • BCom (Accounting: University of Fort Hare	• Governance Structures	• Interim Board Member: Buffalo City Metropolitan Development Agency Chairperson: Current • Board Member: Eastern Cape Rural Development Agency (ECRDA): Current • Board Member: State Information and Technology Agency (SITA) Current • Board Member: Eastern Cape Development Corporation: Current	• RSR ICT Member • RSR ARC Member • Eastern Cape Rural Development Agency (ECRDA) Chairperson -Finance and Investment Committee: Current • Emalahleni Local Municipality: Chairperson -Audit Committee: Current • Chairperson/ Member: Audit and Risk Committee: State Information and Technology Agency (SITA): Current • Advisory Committee Member: Cape Peninsula University of Technology Entrepreneurship and Business Management Department: Current • Member- Audit and Risk Committee, Finance & Investment Committee: Eastern Cape Development Corporation	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Prof Tshepo Mongalo	Non-Executive Director	12/12/2023	N/A	• Baccalareus Procurations (B. Proc.): University of Natal, Durban • Bachelor of Laws (LL.B.): University of Natal, Durban • Cert. in Law, Social Thought and Global Governance: Brown University-Rhode Island, USA • Cert. in Global Law, Economic Policy and Social Justice: Institute for Global Law and Policy (IGLP) at Harvard University • Ph.D. (Commercial Law: University of Cape Town, Western Cape • Postgraduate Diploma in Education (Higher Education: University of the Witwatersrand, Johannesburg	• Board leadership & Corporate Governance Company Law • Securities Regulation & Insider trading • Corporate Social Responsibility and Stakeholder Capitalism • National Qualification Framework design • Regulatory Framework design & legal drafting • Innovation & Entrepreneurship education curriculum design	• Tong-Mongalo Corporate Services CC • Novalex Holdings Ltd • Tong-Mongalo Holdings (Pty) Ltd • South African Law Reform Commission	• RSR SEC Chairperson • RSR ARC Member	08
Lieutenant General Peter Jacobs	Non-Executive Director	05/03/2024		• MSc: Corporate Security: Cranfield University (UK) • Advanced Diploma Management University of the Western Cape (UWC)	• Compliance Management; • Intelligence and Analysis; • Security Management; • Operational Co-ordination	-	• SEC Member • NECOM (National Energy Crisis Committee) • Chair Workstream 6: • Safety and Security Committee Chair; • NLCC (National Logistic Crisis Committee) • Chair Workstream 7	07

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Ms Milly Ruiters	Non-Executive Director	05/03/2024		• BSc, BSc Hons, MSc and MBA	• Occupational health and Safety	-	• RSR HRRC Member • Ministerial Advisory committee Mental health	06
*** Mr Mmuso Selaledi**	ACEO	21/04/2021		• BAcc (Rhodes University) • Charted Accountant, BCom (Accounting Honours)	• Strategy formulation and monitoring • Risk Management • Project Management • Financial Accounting • Internal and External Auditing	-	• Audit Chairperson: Free Sate Development Corporation and Maluti Phofung SEZ	08
**** Mr Bongani Sibiya**	ACEO	01/02/2025		• Certificate in Project Management (NWU) • Advanced Certificate in Project Management (NWU) • National Diploma Labour Relations (TUT) • B-Tech Labour Relations (TUT) • Chartered HR Practitioner (SABPP) • BCom Honours Human Resource Management (MANCOSA) • Masters Labour Relations Management (TUT)	• Human Resource Management • Employee Relations Management • Project Management • Conflict Resolution Management • Compliance and Monitoring • Strategy development and implementation			02

* Acting ended: 31 January 2025

** Acting from 1 February 2025

There are no alternate members of the Board.

Committees

Committee	Date meetings held	No. of members	Name of members
Audit and Risk Committee	23/04/2024	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Tshepo Mongalo Nolitha Pietersen Mmuso Selaledi
	23/05/2024	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Tshepo Mongalo Nolitha Pietersen Mmuso Selaledi
	12/07/2024	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Tshepo Mongalo Nolitha Pietersen Mmuso Selaledi
	19/07/2024	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Tshepo Mongalo Nolitha Pietersen Mmuso Selaledi
	30/07/2024	5	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Nolitha Pietersen Mmuso Selaledi
	16/09/2024	5	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Tshepo Mongalo Mmuso Selaledi
	21/10/2024	5	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Tshepo Mongalo Mmuso Selaledi
	23/01/2025	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Tshepo Mongalo Nolitha Pietersen Mmuso Selaledi

Committee	Date Meetings held	No. of members	Name of members
Human Resources and Remuneration Committee	12/04/2024	5	Collen Weapond (Chairperson) Nomfundo Molefe Tawana Mopedi Sizakele Makhanya Mmuso Selaledi
	23/05/2024	6	Collen Weapond (Chairperson) Nomfundo Molefe Tawana Mopedi Sizakele Makhanya Milly Ruiters Mmuso Selaledi
	22/07/2024	6	Collen Weapond (Chairperson) Nomfundo Molefe Tawana Mopedi Sizakele Makhanya Milly Ruiters Mmuso Selaledi
	16/10/2024	4	Collen Weapond (Chairperson) Nomfundo Molefe Sizakele Makhanya Mmuso Selaledi
	28/01/2025	6	Collen Weapond (Chairperson) Nomfundo Molefe Tawana Mopedi Sizakele Makhanya Milly Ruiters Mmuso Selaledi

Committee	Date Meetings held	No. of members	Name of members
Safety Committee	16/04/2024	6	Lungi Maminza (Chairperson) Tawana Mopeli Mala Somaru Collen Weapond Peter Jacobs Mmuso Selaledi
	11/07/2024	5	Lungi Maminza (Chairperson) Tawana Mopeli Mala Somaru Collen Weapond Mmuso Selaledi
	22/08/2024	4	Lungi Maminza (Chairperson) Tawana Mopeli Collen Weapond Mmuso Selaledi
	18/10/2024	4	Lungi Maminza (Chairperson) Tawana Mopeli Collen Weapond Mmuso Selaledi
	04/02/2025	5	Lungi Maminza (Chairperson) Tawana Mopeli Peter Jacobs Collen Weapond Bongani Sibiya

Committee	Date meetings held	No. of members	Name of members
ICT Committee	11/04/2024	6	AnnahBadimo (Chairperson) Denisha Jairum Xoliswa Njokweni-Mlotywa Nolitha Pietersen Mala Somaru Mmuso Selaledi
	09/07/2024	6	Ulandi Exner (Chairperson) Denisha Jairum Xoliswa Njokweni-Mlotywa Nolitha Pietersen Mala Somaru Mmuso Selaledi
	13/10/2024	5	Ulandi Exner (Chairperson) Denisha Jairum Xoliswa Njokweni-Mlotywa Nolitha Pietersen Mmuso Selaledi
	20/01/2025	5	Ulandi Exner (Chairperson) Denisha Jairum Xoliswa Njokweni-Mlotywa Nolitha Pietersen Mmuso Selaledi

Committee	Date meetings held	No. of members	Name of members
Social and Ethics Committee	18/04/2024	6	Tshepo Mongalo (Chairperson) Lungi Mamimza Nomfundo Molefe Sizakele Makhanya Xoliswa Mlotywa-Njokweni Mmuso Selaledi
	03/07/2024	6	Tshepo Mongalo (Chairperson) Lungi Mamimza Nomfundo Molefe Sizakele Makhanya Xoliswa Mlotywa-Njokweni Mmuso Selaledi
	24/10/2024	6	Tshepo Mongalo (Chairperson) Lungi Mamimza Nomfundo Molefe Sizakele Makhanya Xoliswa Mlotywa-Njokweni Mmuso Selaledi
	29/01/2025	6	Tshepo Mongalo (Chairperson) Nomfundo Molefe Sizakele Makhanya Xoliswa Njokweni Mlotywa Lungi Maminza Mmuso Selaledi

Remuneration of Board members

How Board members' remuneration is determined

In terms of the National Treasury Circular on the service benefits package for office bearers of certain institutions, the remuneration of the RSR Board and committee members are classified under Category S. The Circular provides a schedule of pre-determined fees payable to board members on an annual basis. The DoT annually confirms the rates prescribed in terms of the National Treasury Circular.

In addition, External Audit and Risk Committee Members are remunerated in terms of the rates prescribed by the South African Institute of Chartered Accountants (SAICA).

The following members are not remunerated:

1. A person from a specified office in the National Department of Transport.
2. A person delegated by the Minister of Employment and Labour; and
3. A person delegated by the Minister of Police.

Name	Membership fees	Allowances	Expenses	Total
	R	R	R	R
Ms MM Phiri	309 098	-	-	309 098
Ms NS Ekeke	692 487	18 000		710 487
Mr SL Mtwa	344 444	18 000	1 380	363 824
Adv JC Weapond	241 037	18 000	565	259 601
Dr D Jairam-Owthar	130 161	-	-	130 161
Ms AMM Badimo	70 363	-	-	70 363
Mr G Van Wyk	212 154	-	-	212 154
Mr S Gounden	212 154	-	-	212 154
Ms NS Molefe	498 285	18 000	-	516 285
Mr L Maminza	307 269	18 000	587	325 856
Mr T Mopeli	246 822	18 000	8 912	273 735
Ms S Makhanya	273 495	18 000	346	291 842
Ms X Njokweni-Mlotywa	232 424	18 000	905	251 329
Ms N Pietersen	255 119	18 000	-	273 119
Ms U Exner	84 841	-	-	84 841
Total	**4 110 154**	**162 000**	**12 695**	**4 284 848**
Prof Mongalo Tshepo	229 867	18 000	-	247 867
Total	**4 340 021**	**180 000**	**12 695**	**4 532 715**

Risk management

The organisation maintained a robust system of risk management to ensure accountability. This system is governed by an approved Enterprise Risk Management (ERM) Framework, which comprises the formal Risk Management Policy and Risk Management Strategy.

Throughout the year, regular risk assessments and the identification of emerging risks were conducted. These activities were integrated into the strategic and operational planning processes under the oversight of the Executive Committee (EXCO) and the Audit and Risk Committee (ARC), ensuring risk management remained a dynamic function aligned with organisational objectives.

Identified risks were directly linked to the organisation's strategic goals and priority projects, allowing their potential impact to be measured against key performance indicators and fostering proactive, risk-informed decision-making. Performance against planned deliverables was monitored quarterly, with the ARC providing critical oversight of risks and their effect on performance to strengthen governance and accountability.

In particular, the ARC ensured that:

- Management implemented timely and appropriate interventions where internal controls were found to be ineffective in mitigating risks, and progress toward performance targets was at risk; and
- The control environment remained stable, consistent with the operational requirements and strategic objectives of the RSR.

The RSR has, through its approved Combined Assurance Framework, ensured coordinated assurance on the implementation and effectiveness of risk mitigation strategies. The combined assurance model focused on high-risk areas and ensured that assurance was delivered through a multi-tiered approach involving line management, risk management, internal audit, external audit, and other regulatory assurance providers.

All efforts by these assurance providers were coordinated, enabling management to allocate resources efficiently and focus on reducing risk exposures to acceptable levels. This integrated approach has strengthened accountability and resulted in close monitoring of significant risks across the organisation, with all assurance providers working towards a common objective of institutional resilience and performance stability.

As part of the RSR's commitment to maintaining a robust and effective risk management system, the organisation has implemented a Business Continuity Management System (BCMS) aligned to the ISO 22301:2019 international standard. The BCMS provided the RSR with measures to assess the capacity and capability to resume, recover, and restore organisational activities within predefined timeframes in the event of a crisis or disruption that affects normal operations. During the 2024/25 financial year, the RSR successfully maintained its ISO 22301:2019 certification following an independent surveillance audit, affirming its commitment to operational resilience and continuity of services.

The RSR continues to enhance its risk maturity by embedding risk management into planning, performance, and decision-making processes, thus ensuring resilience, responsiveness, and alignment with good governance standards

Internal controls

The effectiveness of internal control

The system of controls within the RSR is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved by a risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks, and the Audit and Risk Committee monitoring and providing oversight of the implementation of corrective actions.

For the period under review, the Risk Management Unit has successfully developed and conducted a Control Self-Assessment with the focus on key controls within the RSR.

The Audit and Risk Committee has reviewed the reports of the Annual Financial Statements and the Management Report from the Auditor-General of South Africa (AGSA) and is satisfied that the system of internal controls is applied over financial and non-financial matters and enterprise risk management. The Committee has noted management's commitment to address the lack of control effectiveness where they exist. The Committee will monitor management's progress in resolving these issues regularly.

Internal Audit and Audit Committees

The RSR has established an Internal Audit Activity (Department) that has been outsourced to an external service provider under the direction of the Chief Audit Executive. The department has provided the RSR with value-added services to support the achievement of financial, compliance, environmental, operational and performance objectives. The Audit and Risk Committee has approved and successfully monitored the implementation of the 2024/25 Internal Audit Plan that included the following planned internal audit reviews:

1. Management of Safety Interventions (SIP)
2. Development and review of RSR regulatory tools
3. Audits & Inspections (Dangerous Goods)
4. ICT, Information & Cyber Security
5. Contraventions and Penalty Management
6. Management of Directives
7. Management of co-operative agreements & MOUs
8. Internal & External Stakeholder Management
9. Governance Review
10. Business Continuity
11. Management of projects including vendor management
12. NIMS Project Review
13. Performance Management- Contracting
14. Annual Financial Statement
15. Annual Performance Report Review
16. Audit of performance information Quarter 4
17. Performance Management-Rewards/Incentives
18. Budget Governance and Management
19. Supply Chain Management
20. Asset Management
21. IT Governance & General Controls

Key activities and objectives of the audit and risk committee

The primary purpose of the Audit and Risk Committee is to assist the Board in fulfilling the oversight responsibility required in terms of the PFMA, Treasury Regulations and corporate governance and has authority to:

- Review of the Annual Financial Statements
- Oversight of Internal Controls
- Internal audit oversight.
- Information and Communications Technology oversight
- Risk Management Oversight
- Compliance Monitoring
- Ethics and Whistleblower Oversight
- Governance Review

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Ms Margaret Phiri	• BCom. Accounting • CTA/BCompt Honours • Chartered Accountant • Registered auditor and Registered tax practitioner	External	No	01/05/2020	Active	8
Mr Gerrit van Wyk	• Bachelor of Commerce • Bachelor of Commerce (Hons); • Masters of Commerce • Mater of Business Leadership; • AMP	External	N/A	01/06/2022	Active	8
Mr Sathie Gounden	• Chartered Accountant (SA); • Chartered Director (SA); and • BCompt	External	N/A	01/06/2022	Active	8
Ms Nolitha Pieterson	• Chartered Accountant • Master of Business Administration: NMMU Business School • BCom (Accounting Honours) and CTA: • University of Johannesburg • BCom (Accounting), University of Fort Hare	Board Member	N/A	12/12/2023	Active	6
Prof Tshepo Mongalo	• Baccalareus Procurations (B. Proc.): University of Natal, Durban • Bachelor of Laws (LL.B.): University of Natal, Durban • Cert. in Law, Social Thought and Global G9vernance: Brown University- Rhode Island, USA • Cert. in Global Law, Economic Policy and Social Justice: Institute for Global Law and Policy (IGLP) at Harvard University • Ph.D. (Commercial Law: University of Cape Town, Western Cape • Postgraduate Diploma in Education (Higher Education: University of the Witwatersrand, Johannesburg	Board Member	N/A	12/12/2023	Active	7

Compliance with laws and regulations

The Board is committed to advance and maintain a strong compliance management capability and culture. The Board regularly reviews compliance related matters including policies and procedures, ensuring a holistic view of compliance management across the RSR. The organisation strives in doing the right thing in the right way in a timely, inclusive, open, and accountable manner to promote good governance.

The Audit and Risk Committee is assigned with a responsibility for overseeing risk management and to enforce and monitor compliance to ensure that monitoring behaviour is persistent.

The role played by the Compliance function as mandated by the Committee is to ensure that the organisation supports the business activities in their duty to comply with relevant laws, regulations, and internal controls. This is accomplished by identifying, mitigating, continually monitoring and reporting on the operational effectiveness of the internal controls.

The organisation has performed and covered the following compliance areas;

- Maintaining the Legislative Requirements register
- Managing the Policy developments highlights
- Manage the Policy Review Compliance
- Maintain Records Management System

Legislative Compliance Register

The Legislative Compliance Register is a comprehensive document that outlines the RSR legislative requirements that must be complied with. It serves as a reference point for all internal departments to ensure their activities are conducted within the scope of current laws and standards.

During the year under review, the register was successfully monitored and the RSR maintained 100% compliant status for the Legislative Matrix.



Policy development

The RSR understands the importance of regularly reviewing the policies to ensure alignment with the latest regulatory requirements. During the period under review, twenty-one (21) policies were reviewed in line with the prescribed transcripts and industry's best practices:

Policies	Status
Budget Policy	Reviewed and approved
Fleet Management Policy	Reviewed and approved
Quality Management Policy	Reviewed and approved
Records Management Policy	Reviewed and approved
Mobile Device policy	Reviewed and approved
CGICT Policy	Reviewed and approved
Information Security policy	Reviewed and approved
Banking Policy	Reviewed and approved
Bank Card Policy	Reviewed and approved
Revenue and Receivables Policy	Reviewed and approved
Travel Policy	Reviewed and approved
SCM Policy	Reviewed and approved
Safety Permit Life Cycle Policy	Reviewed and approved
Recruitment and Selection Policy	Reviewed and approved
Bursary Policy	Reviewed and approved
Management of Injuries and Diseases on Duty Policy (previously named: Injury on Duty Policy)	Reviewed and approved
Performance Management Policy	Reviewed and approved
Compliance Framework	Reviewed and approved
Performance Management Policy	Reviewed and approved
Probation Policy	Reviewed and approved
Bereavement Policy	Reviewed and approved

Policy Compliance

To enhance its governance framework, the RSR conducted a thorough review of policy compliance within each business unit, using a formal checklist to identify potential compliance risks. As continuous monitoring is a foundational principle for the RSR, the organisation is committed to intensifying its risk management processes in collaboration with all business units. This collaborative process provides leadership with timely information on key performance matrices, allowing for greater insight and responsiveness to issues as they arise.
The following policies were successfully reviewed for compliance during the financial year:

- Asset Management Policy
- Cash Banking and Investment Policy
- Card Policy
- Budget Policy
- Fleet Management Policy
- Security Policy
- Substance Abuse Policy
- Conditions of Service
- Grievance Policy
- Leave and Administration Policy
- Probation Policy
- Overtime and Standby Policy
- Job Evaluation Policy
- Recruitment Policy
- Acting Policy
- Quality Management Policy
- Project Management Policy
- Occupational Health and Safety Policy
- Guideline for managing performance information

ISO 9001: 2015 Quality Management System (QMS)

The ISO is an international body that sets standards in a range of industrial, commercial, and other areas. The organisation successfully maintained its certification to ISO 9001:2015, the international standard for quality management systems, during the year under review.

This achievement falls within the ongoing three-year certification cycle. In preparation for the upcoming recertification, Stage 1 audit activities, which include the preliminary review of the quality management system, were successfully concluded. The full Stage 2 recertification audit is scheduled for completion during the 2025/26 financial year.

Records Management

The RSR continues to adhere to the National Archives and Records Service Act. This is done by ensuring that activities and functions are documented to provide adequate evidence of compliance and to ensure compliance with the provisions of the promotion of the Administrative Justice Ac

(Act No. 2 of 2002). The provisions require that organisations ensure that administrative action is lawful, reasonable, fair, and properly documented.

Fraud and corruption

Fraud and Corruption

The RSR has developed a Fraud and Corruption Prevention Framework which outlines the governance of fraud and corruption matters. The Fraud and Corruption Framework includes the protected disclosure assurance by the organisation in line with the responsibility that the RSR bears in terms of the Protected Disclosures Act 26 of 2000 to ensure the protection of whistle blowers and all employees who report fraud and corruption activities at the RSR. The Fraud and Corruption Prevention Framework further outlines processes such as identification and reporting of fraud and corruption in the RSR.

In addition, the RSR has an ethics whistleblowing hotline, which is independent to the organisation and reports directly to the Audit and Risk Committee. The purpose is to ensure and guarantee anonymity of the person reporting suspected fraud related issues. The Fraud and Corruption Plan has been developed and implemented successfully. During the period under review. One fraud and corruption case was reported and investigated during the period under review. Below table illustrates the Fraud and Corruption Prevention Plan:

NO	ACTIVITY	TIMING	SYNOPSIS	VALUE ADD BY ACTIVITY
1.	Annual staff independence declarations	Bi-Annually	The Bi-annual staff independence declaration is a mandatory process in terms of which all employees are required to disclose any potential conflict of interest, or financial or personal relationships that may compromise their independence.	The annual staff independence declaration is implemented to uphold employees' independence and ethical conduct, safeguarding the reputation of RSR.
2.	Application for External Remunerative Work outside the RSR	Bi-Annually	The process allows employees to seek approval for additional paid work outside their primary responsibilities.	To ensure that employees are not conducting business with the state or private companies while in the employment of the RSR and for effective workload management and conflict of interest.
3.	Annual board independence declarations	Bi-Annually	Bi-annual board independence declarations are a critical component of corporate governance. This process safeguards the independence and integrity of the board.	Board independence declaration is implemented to uphold the Board's independence and ethical conduct, safeguarding the reputation of RSR.
4.	Maintenance of register of gifts and donations	Ongoing	The register of gifts and donations is an essential record-keeping system that tracks all gifts and donations received by RSR employees. This is a preventative control against fraud and corruption or undue influence.	To promote ethical conduct of employees and limit the possibilities of fraudulent activities.
5.	Vetting and security clearance for applicable employees	Ongoing	Vetting and Security clearance procedures involve thorough background checks and clearance for employees who handle sensitive information or have access to confidential data.	The vetting outcome assists with the handling of sensitive information and the level of government security classification.
6.	Fraud questionnaire	Annually	The fraud questionnaire is a tool for assessing awareness and understanding of fraud-related issues.	Determination of fraud risks overview and weak points within the RSR as well as recommendations for action for the identified risk factor.
7.	Fraud tests and audit procedures	Annually	Fraud Tests and Audit Procedures are methods by auditors to detect fraudulent activities within the RSR.	To evaluate the effectiveness of controls in place and identification of fraudulent activities.

NO	ACTIVITY	TIMING	SYNOPSIS	VALUE ADD BY ACTIVITY
8.	Fraud awareness workshops	Ongoing	Educational sessions are conducted to raise employees' awareness of fraud matters and promotion of an ethical culture within the organisation.	Promotion of an ethical culture within the organisation.
9.	Fraud risk assessments	Quarterly	Fraud risk assessment involves identifying gaps and vulnerable areas in the organisation's processes.	Identification and prevention of fraud and corruption risks.
10.	Monitoring of whistleblowing hotline and investigation of reported matters	Ongoing	The Whistleblowing Hotline is a channel for employees and external stakeholders to report any unethical or fraudulent activities anonymously.	Whistleblowing ensures that the critical information and suspected fraudulent activities are reported to the organisation by relevant stakeholders.
11.	Investigation of matters referred to Security Department	Ongoing	Matters referred to in the Security Management are related to security breaches, data leaks, or other sensitive issues.	Investigations to identify root causes of events.

Minimising conflict of interest

The RSR is committed to upholding the highest ethical standards and professional behaviour, as outlined in its approved Code of Conduct and Ethics (Code). The Code serves as a guide for all employees, ensuring that they adhere to the norms and values expected within the organisation. In compliance with the Code, every employee is required to:

- Declare financial interests biannually to ensure transparency and avoid any potential conflicts of interest, particularly in relation to supply chain dealings or procurement processes.
- Take personal responsibility for their actions and comply with all legal obligations, policies, and procedures, including those governing supply chain management, to maintain accountability and ensure that all procurement activities are executed fairly and ethically.
- Act honestly and in good faith, fostering a culture of trust and integrity within the organisation, including in interactions with suppliers, contractors, and other external partners.
- Perform duties conscientiously and always in the best interest of the RSR, ensuring that decisions, including those related to procurement and supply chain activities, align with the organisation's mission, values, and regulatory requirements.
- Exercise reasonable care and diligence in the execution of their responsibilities, including ensuring that procurement decisions are made with due consideration of cost-effectiveness, compliance with B-BBEE requirements, and alignment with the RSR's sustainability goals and supply chain policies.

Additionally, the RSR's Supply Chain Management function is directly guided by the Code, ensuring that all procurement activities are carried out in a transparent, ethical, and legally compliant manner. This includes fostering fair competition, promoting B-BBEE objectives, and ensuring that suppliers and contractors also adhere to ethical business practices. By integrating ethical principles into supply chain operations, the RSR ensures that its procurement practices support both organisational goals and the broader mandate of promoting integrity, sustainability, and good governance.

Code of conduct

The purpose of the RSR's Code of Conduct and Ethics is to:

- Establish standards that would promote and encourage ethical behaviour and decision making by all RSR employees, Board members and stakeholders;
- Ensure that ethics and desirable business conduct are communicated as an integral part of the RSR's corporate identity, culture, and purpose;
- Ensure that a good ethical foundation informs the RSR's policies, procedures, practices, conduct and business processes; and
- Relay a clear message that failure to live up to the desired ethics and conduct could undermine the RSR's objectives and will not be tolerated.

The RSR deems contravention of this Code as a serious matter and those who violate the Code or similar policies will be subjected to disciplinary measures, which may include the termination of services. Disciplinary measures may also be imposed for conduct that is considered unethical or improper, even if the conduct is not specifically covered in the Code.

In all cases and where applicable, the RSR's Employee Relations Policy, Disciplinary Code and Procedure and the National Railway Safety Regulator Act No. 16 of 2002, as amended, are followed. Contraventions may also lead to civil action or criminal charges. Approval must be sought in advance for any action that may be non-compliant with the Code. Such approvals may only be granted by the CEO in consultation with the Board. Only the Board may grant waivers of this Code for directors and executive officers of the RSR. When a waiver is granted, the Board shall ensure that appropriate controls are in place to protect the RSR and its stakeholders.

Health Safety and Environmental issues

In compliance with the Occupational Health and Safety Act No.85 of 1993, the RSR's Occupational Health and Safety Policy guides the operations and maintenance of a safe environment for both employees and all stakeholders visiting the RSR premises. To enhance and strengthen governance, the Occupational Health and Safety (OHS) and Business Continuity Management (BCM) committee has been established to monitor, maintain and exercise operational authority on the implementation of provisions of the RSR's Occupational Health and Safety Policy, and the committee has successfully held its four planned meetings.

An annual comprehensive compliance assessment has been successfully conducted, and periodic inspections were conducted to keep the premises free of risks and hazards. Employees eligible for medical assessment were taken for medical assessment in line with the approved medical surveillance policy and periodic alcohol testing were conducted to employees and stakeholders entering the RSR premises. The emergency plans and procedures were found to be effective and were adhered to during simulations, demonstrating the organisation's readiness to respond to crises.

Company secretary

The primary purpose of the Company Secretary's role is to ensure that the RSR adheres to standard financial and legal practices while upholding high standards of corporate governance. This role also oversees and manages corporate governance within the Board and the RSR, in line with legislative requirements and best practices. Additionally, the Company Secretary proactively manages stakeholder relations to support the effective functioning of the Board of Directors and its committees, ensuring compliance with good corporate governance as well as other legislative and statutory requirements.



Social responsibility

Mandela Day commemoration at the Jehova Jirah Orphanage in Soshanguve

In commemoration of Mandela Day, the RSR collaborated with Traxtion and visited the Jehova Jirah Orphanage in Soshanguve Block GG. The orphanage is located 5,5 kilometers from Mabopane Station and is home to 35 orphaned kids. The kids age ranged from 3 years to mid-20's. The eldest child under the care of the orphanage was studying at the Tshwane University of Technology and already doing in-service training at a school near the orphanage.

The RSR further donated the following items:

- Sanitary pads;
- Stationery sets for learners
- Activity books for lower grades;
- Cleaning utensils including detergents; and
- School bags and toys.

A commitment was further made by the RSR Chairperson of the Board that the Regulator would further donate wooden cabinets to allow the children to pack away their clothes and books, as well as groceries.

The cabinets were installed, and the groceries were donated in December 2024, just in time for Christmas.

Greater Taung Local Municipality Donation

The RSR donated sporting equipment to the Greater Taung Local Municipality on 20 February 2025. The donation came as a plea from the municipality for a donation for prizes, to enable the municipality to host the annual tournament in the area. The annual tournament's primary objective is to foster unity and social cohesion amongst the youth of Greater Taung.

This is achieved by bringing together young individuals from diverse backgrounds encouraging social interaction, teamwork, and mutual understanding. Additionally, the tournament promotes physical activity, enhancing health and well-being while identifying and developing young talent. The items that were donated were soccer, netball and karate kits; trophies and medals. The tournament officially took place on 22 February 2025.



B-BBEE initiatives

As part of its unwavering commitment to the Broad-Based Black Economic Empowerment (B-BBEE) program, the Railway Safety Regulator (RSR) continues to champion inclusive economic growth and transformation. The RSR actively supports the principles of B-BBEE, particularly through its efforts in Enterprise and Supplier Development (ESD), by identifying and nurturing opportunities that empower small businesses and contribute to sustainable economic development.

Recognising that support goes beyond financial assistance, the RSR has prioritised the provision of non-financial resources to help small enterprises and community-based organisations thrive. One of the ways this is achieved is through the donation of equipment and furniture that can be repurposed to add value to businesses, non-profits, and educational institutions.

By the close of the 2024/25 financial year, the RSR had made meaningful contributions to several beneficiaries. These included the donation of used office furniture to four (4) small businesses, enhancing their operational capacity and creating more professional workspaces. To further support entrepreneurs in the food and catering industry, the RSR provided four cantilever umbrellas—ideal for outdoor service and customer comfort. A full set of boardroom furniture was also donated to a non-governmental organisation (NGO), helping them improve their working environment and better serve their community-focused mission. Additionally, six (6) L-shaped desks were donated to a school in Tembisa, providing much-needed infrastructure to support teaching and learning.

These efforts reflect the RSR's broader strategy to contribute to socio-economic development by addressing resource gaps in underserved areas. By reallocating surplus assets in this manner, the RSR not only promotes environmental sustainability through reuse but also strengthens the resilience and functionality of emerging businesses, schools, and civil society organisations. Looking ahead, the RSR remains committed to expanding its ESD initiatives and collaborating with more stakeholders to drive meaningful impact across the country.



Audit and risk committee report

The Audit and Risk Committee is pleased to present the report for the financial year ended 31 March 2025.

Responsibilities of Audit and Risk Committee

The Audit and Risk Committee has complied with its responsibilities arising from Section 51(1) (a) (ii) of the Public Finance Management Act (PFMA) and the National Treasury Regulations 3.1.13, paragraph 27.1.

The Audit and Risk Committee also adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls within the RSR is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved by a risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks, and the Audit and Risk Committee monitoring and providing oversight of the implementation of corrective actions.

For the period under review, the Risk Management Unit has successfully developed and conducted a Control Self-Assessment with the focus on key controls within the RSR.

The Audit and Risk Committee has reviewed the reports of the Annual Financial Statements and the Management Report from the Auditor-General of South Africa (AGSA) and is satisfied that the system of internal controls is applied over financial and non-financial matters and enterprise risk management. The Committee has noted management's commitment to address the lack of control effectiveness where they exist. The Committee commends management for implementing all recommendations of the AGSA made in the prior period.

The RSR has established an Internal Audit Activity (Department) that has been Co-sourced to an external service provider under the direction of the Chief Audit Executive. The department has provided the RSR with value-added services to support the achievement of financial, compliance, environmental, operational and performance objectives. The Audit and Risk Committee has approved and successfully monitored the implementation of the 2024/25 Internal Audit Plan that included the following planned internal audit reviews:

1. Management of Safety Interventions (SIP)
2. Development and review of RSR regulatory tools
3. Audits & Inspections (Dangerous Goods)
4. ICT, Information & Cyber Security
5. Contraventions and Penalty Management
6. Management of Directives
7. Management of co-operative agreements & MOUs
8. Internal & External Stakeholder Management
9. Governance Review
10. Business Continuity
11. Management of projects including vendor management
12. NIMS Project Review
13. Performance Management- Contracting
14. Annual Financial Statement Review
15. Annual Performance Report Review
16. Audit of performance information Quarter 4
17. Performance Management-Rewards/Incentives
18. Budget Governance and Management
19. Supply Chain Management
20. Asset Management
21. IT Governance & General Controls

Appreciation

The Committee wishes to acknowledge the dedication and work performed by the acting Chief Executive Officer, Management and Officials of the RSR. The Committee further wishes to express its appreciation to the AGSA and the Internal Audit Department for the co-operation and information they have provided to enable the Committee to discharge its oversight responsibilities.



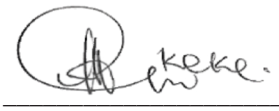
Ms Tinyiko Mhlari
CHAIRPERSON: AUDIT AND RISK COMMITTEE

Broad-Based Black Economic Empowerment Compliance Performance Information

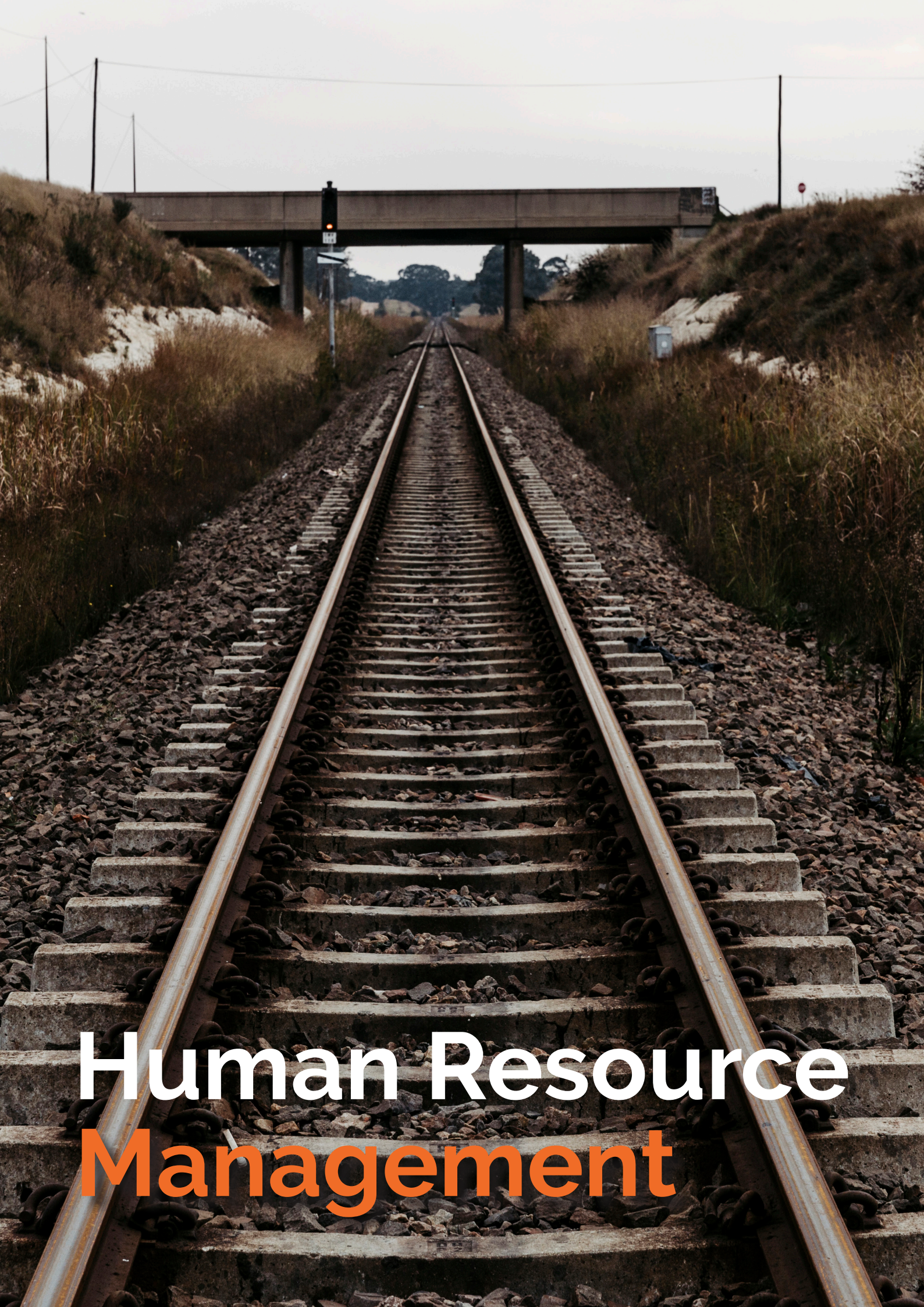
The following table has been completed in accordance with the compliance to the Board-Based Black Economic Empowerment (B-BBEE) requirements of section 13(g)(1) of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	**Yes**	RSR's safety permit criteria is centred on safety compliance, B-BBEE considerations may also play a role in the broader regulatory framework governing rail operations
Developing and implementing a preferential procurement policy?	**Yes**	RSR adheres to public procurement regulations that promote B-BBEE objectives, including integrating B-BBEE considerations into its procurement processes to advance the participation of black-owned businesses and other designated groups in the economy.
Determining qualification criteria for the sale of state-owned enterprises?	**No**	Not applicable
Developing criteria for entering into partnerships with the private sector?	**Yes**	The RSR applies a specific point system that includes consideration of B-BBEE status levels into its procurement processes
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	**Yes**	The RSR ensures compliance with the requirements of the B-BBEE Act when awarding and making donations to Enterprise and Supplier Development (ESD) and Socio-Economic Development (SED) beneficiaries

APPROVED BY:



Ms Nompumelelo Sibongile Ekeke
CHAIRPERSON: RSR BOARD



Human Resource Management

Introduction

The Human Resources department provides advice and support to the organisation on human resources-related issues. Within this framework, the department developed and implemented effective human resources management processes to cultivate leadership and create a learning organisation that values the importance of its employees, service delivery and empowering people for operational excellence.

Overview of HR matters

The HR function at the RSR is guided by the RSR strategy, its values, the operating model and several plans that guides the implementation of HR functions. The Service delivery Model is always guided by these aspects for the RSR to be able to deliver value-adding services.

Under the previous model, the HR function was predominantly structured around transactional and compliance-driven activities such as recruitment processing, policy administration, and payroll. This service delivery model limited the HR's ability to anticipate and respond to dynamic workforce needs and did not position HR to meaningfully contribute to broader organisational effectiveness. The HRBP model aims to address this by embedding dedicated HR professionals within business units, enabling tailored, agile support that is informed by the strategic priorities of each division. The HRBP Service Delivery Model therefore transforms HR into a more strategic function that directly supports RSR's goals. It introduces two main pillars, namely the HR Business Partnering and HR Specialist Services. The model thus focuses on improving service quality, responsiveness, and strategic impact by aligning HR practices with business needs and to ensure that the HR function is realigned with RSR's corporate strategy and evolving workforce challenges, thereby contributing directly to operational effectiveness, leadership development, workforce planning, succession readiness, and culture transformation. The model is configured into two pillars as follows:

Pillar 1 - HR Business Partnering:

This pillar is focused on strategic alignment between HR and the core functions of the organisation.

Pillar 2 - HR Specialist Services:

This pillar provides deep expertise and specialist support in key HR domains such as Employment Relations, Learning and Development, Compensation and Rewards, Succession Management, Wellness, Policy Development, Job Evaluation, and Organisational Design. These services are designed to develop and implement high-quality HR programmes and policies, support compliance, and ensure consistency and fairness across the organisation.

Together, these pillars enable the HR function to be both strategic and service-oriented, contributing to the overall performance and success of the organisation.
During the 2024/25 financial year, the associated structure to support the implementation of the model was developed and approved by the RSR Board for implementation. To support the implementation of the model and to ensure that the model is embedded within the operations of the organisation, a number of change management initiatives will be undertaken during the 2025/26 financial year aimed at accelerating organisational agility and responsiveness in the face of regulatory and operational shifts and to improve employee experience through the strengthened business aligned HR support that this model advocates for.

A few of the key success factors already realised through the introduction of the model are:

- Building and strengthening HR/line manager relationships
- Dedicated point of contact and easy access to HR services
- Coaching and guidance on the implementation of HR Policies and Tools
- Increased awareness of the HRBP Service Delivery Model

Human Resources priorities

The current organisational structure was approved for a validity period of three years and has become due for review during the 2024/25 financial year. In parallel, significant developments such as the pending promulgation of the new Railway Safety Act has expanded the RSR's scope of responsibilities, including the certification and licensing of safety critical grades.

These changes, alongside the need to improve efficiency, performance, and long-term sustainability, necessitated a comprehensive review and redesign of the organisational structure.

The structural redesign exercise was a proactive response to the growing complexity and changing role of the Regulator. While the new Act introduced additional responsibilities, the organisational response must be both strategically aligned and operationally scalable. Furthermore, the RSR must demonstrate an ability to absorb new functions without perpetuating inefficiencies or role ambiguity.
The review revealed structural misalignments, function duplications, and outdated configurations that were no longer fit for the Regulator's current and future mandate. A leaner and more focused structure will ensure that roles are clearly defined, talent is properly deployed, and cross-functional collaboration is embedded. Furthermore, this structure is supported by enhanced use of data, analytics, and systems to support workload without inflating resource requirements. Most critically, the redesigned structure has been crafted to:

- Embed legislative readiness,
- Improve role accountability and reporting clarity,
- Align organisational form with strategic regulatory priorities, and
- Enable scalable capacity building in emerging and specialist areas, such as ESG, technical oversight, and data intelligence.

Approach

The organisational structure review has been guided by a three-phased project methodology based on best practices in organisational design, transformation, and workforce planning. The phases are outlined below:

Phase 1 – As - is Assessment, Benchmarking, and Macro Structure Design
This phase entailed an in-depth assessment of the existing organisational structure, functional gaps, external benchmarking, and the development of a fit-for-purpose Macro structure aligned to the strategic direction and mandate of the RSR.

Phase 2 – Work Study and Microstructure Development
This phase includes job analysis, functional workload studies, grading, and the design of a detailed Microstructure. It defined reporting lines, clarified role scopes, and aligned support functions with regulatory and operational imperatives.

Phase 3 – Change Management Planning (To be implemented post-approval)
The final phase, pending Board approval of the structure, focused on structured change enablement, including communication, onboarding, training, performance alignment, and engagement with impacted staff and organised labour. It is critical for embedding the structure and supporting a smooth transition.

Each phase is underpinned by a governance-led approach, informed by stakeholder input from EXCO. Engagement with the majority union also formed part of the consultation process, particularly during the implementation and change management phase.

The final phase, pending Board approval of the structure, focused on structured change enablement, including communication, onboarding, training, performance alignment, and engagement with impacted staff and organised labour. It is critical for embedding the structure and supporting a smooth transition.
The following activities will be conducted in the 2025/26 financial year to allow for full implementation of the revised organisational structure:

- Several post-project activities are critical for full implementation: Review and grade job profiles.
- Confirm and communicate final Paterson grades post-Training and Job Evaluation Committee validation.
- Roll out change management plan, including training and stakeholder engagement.
- Monitor implementation

Workforce planning framework

The following recruitment was finalised for the year under review:

- ICT Committee Chairperson and a Committee Member
- Audit and Risk Committee Chairperson and a Committee Member
- Chief Operations Officer
- Safety Inspector Eastern Region
- Safety Inspector Central Region
- Human Resources Business Partners
- Receptionist

Employee performance management framework

The RSR has enrolled all employee categories that fall below the management category into the electronic performance management system during the period under review.

This brings into completion the use of the electronic performance management system into full utilisation by the RSR, it starts with Performance Contracting, mid-year appraisals and the Final Appraisals being done into the system. Data management which includes historical data, tracking and reporting into one system for Management reporting with minimal error rate. The performance management policy underwent reviews to bring it up to speed and address gaps that have been identified throughout the years.

Employee wellness programme

Employee wellness programs play a crucial role in fostering a supportive and productive work environment. These programs are designed to promote the physical, mental, and emotional well-being of employees, thereby enhancing their overall job satisfaction and performance. Implementing effective wellness programs can lead to reduced healthcare costs, lower absenteeism, and increased employee engagement. Strategic Objective for Wellness Management is to provide individual and organisational wellness within the Railway Safety Regulator by providing support and services which improve wellness and work life balance. Employee wellness programs are initiatives designed to promote the physical, mental, and financial health of employees. They include a variety of strategies such as:

- Conducting yearly Integrated Wellness Day for all RSR Office including all Regional Office (Conducting Health risk assessments screening to monitor employee health and Physical activity initiatives to encourage exercise and fitness)
- Proving Psychosocial Talks/Workshops which included and not limited to (Nutritional guidance programs that educate employees on healthy eating habits, Mental Health Awareness, Financial Wellness, Resilience and Adaptation sessions and etc)
- Mental health support through counselling and stress management resources.
- Work-life balance initiatives to help employees manage their personal and professional lives.
- These programs aim to reduce healthcare costs, improve productivity, and enhance employee engagement.
- An Employee Assistance Program (EAP) where employees have access to professional assistance for themselves and their immediate family members and quarterly conducting employee awareness sessions reminding employees about the services available to them via EAP programme.
- Managers Training, RSR also assist managers to understand benefits of EAP, understanding of confidentiality, how to identify troubled employee and how to utilise EAP to best support their respective team. How to deal with stress and challenges that comes with being on leadership role.

POLICY DEVELOPMENT

The Human Resources Department underwent a massive review of all HR policies that were due to expire and those that were due for amendments to close gaps that were identified through various interactions with RSR employees.

ACHIEVEMENTS

Youth Employment Service Program (YES Program)

The YES Programme is a government-driven initiative aimed at addressing youth unemployment by providing an initiative designed to create employment for one million people aged 18- 35. It is one of the initiatives that supports and contributes to the government's key priorities as announced by President Cyril Ramaphosa during the 2023 State of the Nation

Address (SONA). The YES Program also enables businesses to easily participate in youth employment services by providing 12 months' work experience for young individuals, including those with only a Grade 12 qualification.

With the national youth unemployment crisis requiring urgent attention, the Youth Employment Service initiative aims to give an entire generation of youth the opportunity to gain work experience, transforming their lives, the businesses they help grow, and the economy of the entire country.

As an organisation dedicated to promoting railway safety, our participation in the YES Programme has allowed us to contribute to addressing the socio-economic challenges faced by South Africa's youth. RSR has derived the following benefits from participating in the program:

- Organisational growth: Engaging with youth brings in fresh perspectives and innovative ideas, contributing to the growth and effectiveness of the RSR.
- Talent Development: Engaging with the YES Programme has enabled us to nurture young talent and groom potential future employees who align with our organisational culture and values.
- Skills Development: Hosting youth through the YES Programme has provided opportunities for skill development, particularly in areas such as railway safety regulations, compliance, and administrative functions.
- Transformation Objectives: The YES Programme supports RSR's Broad-Based Black Economic Empowerment (B-BBEE) goals by providing opportunities for black youth employment and advancing our B-BBEE rating. Recruiting eleven (11) youth allowed us to move up one level.
- The YES initiative allows for an enhanced B-BBEE status recognition if certain youth job creation targets are met. The DTI proposes that all businesses should play a meaningful role by providing the life-changing opportunity for youth to build skills and gain experience, while significantly improving their B-BBEE status.
- Youth are the largest market segment in South Africa and the real potential and benefits of youth workers is that they are naturally innovative, digital natives who hold deep digital competencies, adaptable and cost-effective and most importantly authentic ambassadors for our brand.
- An organisation can participate in the YES Programme through two options: by creating job opportunities within the company itself or by sponsoring the placement of youth at vetted third-party enterprises.

The RSR however has opted to sponsor the placement of youth at a third-party enterprise that is vetted by the YES Programme. This turnkey solution enabled the Railway Safety Regulator to support youth development even though we do not have the space or relevant work for youth internally.

2023 – 2025 Internship Program

In line with the Railway Safety Regulator's (RSR) commitment to fostering a skilled and capable workforce, the internship programme serves as a crucial mechanism for skills development and aligning with the Department of Transport's (DOT's) strategic priorities, particularly with regard to inclusive economic growth and job creation. RSR's Internship Guideline states that "The RSR is committed to creating a conducive environment where continuous training is promoted through the provision of a comprehensive and effective internship programme." with the objective of skills development and capacity building for the interns to aid with future employability. This programme directly supports the broader goal of addressing the skills needs in the South African Labour market and, as such, plays a critical role in our ongoing efforts to help reduce the unemployment rate.

While the internship programme was traditionally structured as a one-year initiative, the RSR made a strategic decision during the COVID-19 pandemic to extend the duration to two years. This adjustment was necessary to ensure that interns received adequate exposure to practical work, given the disruptions caused by the pandemic. The two-year structure has since proven to be highly beneficial, allowing interns to gain a deeper understanding of their roles, develop industry-relevant skills, and meaningfully integrate into the professional work environment. The programme's specific goals included developing the next generation of professionals though a blend of theory and practice which assists in bridging the gap between what students learned in their studies and the realities of the

workplace. Exposure to the practical aspects of the industry allows interns to apply their academic knowledge in real-world scenarios.
It is against this backdrop that the 2023 - 2025 intake of the RSR Internship Programme concluded at the end of April 2025, marking the completion of the 2023–2025 programme. The programme initially commenced with 10 interns but ended with 6 interns following some exiting the program after securing permanent employment elsewhere.

Bursaries

On an annual basis, the organisation has committed to awarding internal and external bursaries to support the Government's Priority 3, Education, Skills and Health. Consistent with the approved Bursary Policy and in accordance with selection criteria, the Committee awarded total of 17 external bursary applications to the value of R2 302 755 for the 2024 academic year who are registered at recognised institutions of higher learning. Similarly, the organisation awarded 19 bursaries to internal applicants to the value of R1 322 657 for the 2024 academic year.

Employee Engagement

The Human Resources Department is tasked with enhancing Employee Engagement as a key driver in supporting RSR's achievement of its strategic objectives.

The HR Department's operational plan for period under review aimed to improve employee satisfaction by 5% through enhanced engagement, while achieving at least 80% participation in all sessions. The baseline for these targets is derived from the annual employee satisfaction survey conducted in March 2024, which recorded a participation rate of 27.40% and an employee satisfaction score of 67%.

During Quarter 4, the HR department conducted Employee Satisfaction surveys whose participation rate has achieved a significant jump from the 2023/24 rate of 27.40% to 50%. The 2024/25 period has achieved a Satisfaction rate of 86%. These results confirm the effectiveness of the HR Department's efforts in engaging employees.

CHALLENGES

The key challenge for the 2024/25 financial year has been the filling of all vacant positions within the approved organisational structure.

Future plans

The HR department in collaboration with departments such as ICT and media and communications strive to enhance the HR Offering year on year, these are amongst the Future goals:

- Enhance a culture that is employee-centric
- Strive to enhance the employee engagement
- Improve employee record management
- Enhance leadership development
- Build a strong employer brand
- Enhancement of HRIS

Human Resource oversight statistics

Personnel cost by programme/ activity/ objective

Department/Region	Total Expenditure for the entity	Personnel Expenditure	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee
	R	R	R	R	R
Chief Executive Office	9 174 301	2 755 276	30%	2	1 377 638
Company Secretary	9 192 930	2 925 956	32%	2	1 462 978
Chief Operations Office	2 665 184	2 219 454	83%	2	1 109 727
Central Region	26 752 877	25 313 238	95%	18	1 406 291
Coastal Region	19 802 772	17 986 796	91%	12	1 498 900
Eastern Region	19 362 962	18 249 941	94%	15	1 216 663
Research and Technical Skills Development	19 129 882	18 385 082	96%	11	1 671 371
Safety Management	24 009 542	17 499 212	73%	11	1 590 837
Safety Permit Management	12 954 761	11 380 955	88%	8	1 422 619
Finance	67 833 442	29 057 393	43%	28	1 037 764
Human Resources	19 678 573	10 019 024	51%	9	1 113 225
Internal Audit	5 727 888	3 958 925	69%	2	1 979 462
Legal Services	7 155 635	4 831 724	68%	3	1 610 575
Media & Communications	34 276 246	13 851 790	40%	10	1 385 179
Risk and Strategy Management	13 557 609	11 608 664	86%	9	1 289 852
Systems and ICT	23 001 585	10 044 502	44%	8	1 255 563
Internship	1 191 662	1 191 662	100%	10	119 166
Total	**315 467 851**	**201 279 594**	**64%**	**160**	**1 257 997**

Personnel cost by salary band

Level	Personnel Expenditure	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
	R			R
Top Management	-	-	-	-
Senior Management	35 406 478	17.6%	13	2 723 575
Professionally qualified and experienced	122 506 400	60.9%	80	1 531 330
Skilled technical and academically qualified workers,	37 431 092	18.6%	52	719 829
Semi-skilled	5 935 624	2.9%	15	395 708
Unskilled	-	-	-	
TOTAL	**201 279 594**	**100%**	**160**	**1 257 997**

Performance Rewards

Level	Performance Rewards	Personnel Expenditure	Performance rewards to total personnel cost
	R	R	%
Top Management	-	-	-
Senior Management	2 712 480	35 406 478	7.7%
Professionally qualified and experienced	7 601 250	122 506 400	6.2%
Skilled technical and academically qualified workers,	2 083 952	37 431 092	5.6%
Semi-skilled	280 383	5 935 624	4.7%
Unskilled	-	-	-
TOTAL	**12 678 064**	**201 279 594**	**24.2%**

Training costs

Programme// activity/ objective	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
	R	R	%	R	R
Internship	1 191 662	10 954	1%	2	5 477
Staff Training	10 060 693	1 303 161	13%	51	25 552
Staff Bursary	32 280 558	1 210 333	4%	15	80 689
TOTAL	**43 532 913**	**2 524 448**	**6%**	**68**	**37 124**

The training costs reflect training undertaken by employees as part of the approved RSR Training Plan. The Training Plan is a culmination of the employees' Personnel Development Plans (PDP) as captured in the performance agreements of all the employees including the Interns currently undertaking job experience training.

Employment and vacancies

Department	2024/25 No. of Employees	2024/25 Approved posts	2024/25 Vacancies	% of vacancies
Chief Executive Office	2	3	1	33%
Company Secretary	2	2	0	0%
Chief Operations Office	2	4	2	50%
Central Region	18	20	2	10%
Coastal Region	12	16	4	25%
Eastern Region	15	14	-1	-7%
Research and Technical Skills Development	11	13	2	15%
Safety Management	11	14	3	21%
Safety Permit Management	8	13	5	38%
Finance	28	30	2	7%
Human Resources	9	12	3	25%
Internal Audit	2	6	4	67%
Legal Services	3	4	1	25%
Media & Communications	10	12	2	17%
Risk and Strategy Management	9	14	5	36%
Systems and ICT	8	10	2	20%
Internship	10	0	0	0%
TOTAL	**160**	**187**	**37**	**24%**

Employment changes

The employment changes reflect employee movements during the period under review (*with negative numbers*) and the appointments made include 10 interns as of 31 March 2025.

Salary band	Employment at beginning of the period	Appointments	Terminations	Employment at end of the period
Top Management	0	0	0	0
Senior Management	12	2	0	13
Professionally qualified and experienced	76	5	5	76
Skilled technical and academically qualified workers	51	1	7	46
Semi-skilled	14	1	2	13
Unskilled	0	0	0	0
TOTAL	**153**	**9**	**14**	**148**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Resigned	5	36%
Retired	0	0%
Discharged	0	0%
Deceased	1	7%
Voluntary Severance Package	8	57%
End of Contract	0	0%
Termination	0	0%
Total	**14**	**100%**

The overall number of terminations may be attributed to normal attrition as well as the contract terminations.

Labour Relations: Misconduct and disciplinary actions

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	6
Dismissal (Upskilling process)	0
Suspensions pending Investigations	3
Disciplinary Hearing	1

Equity Target and Employment Equity Status

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	6	4	1	1	1	0	0	1
Professional qualified	41	35	0	4	0	2	2	5
Skilled	17	19	0	2	0	2	0	3
Semi-skilled	3	5	0	1	0	1	0	1
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**67**	**64**	**1**	**8**	**1**	**5**	**2**	**10**

The full implementation of the Employment Equity Plan should be achieved by 31 May 2025. The variance between the current and the target figure is due to the implementation of the EE Plan.

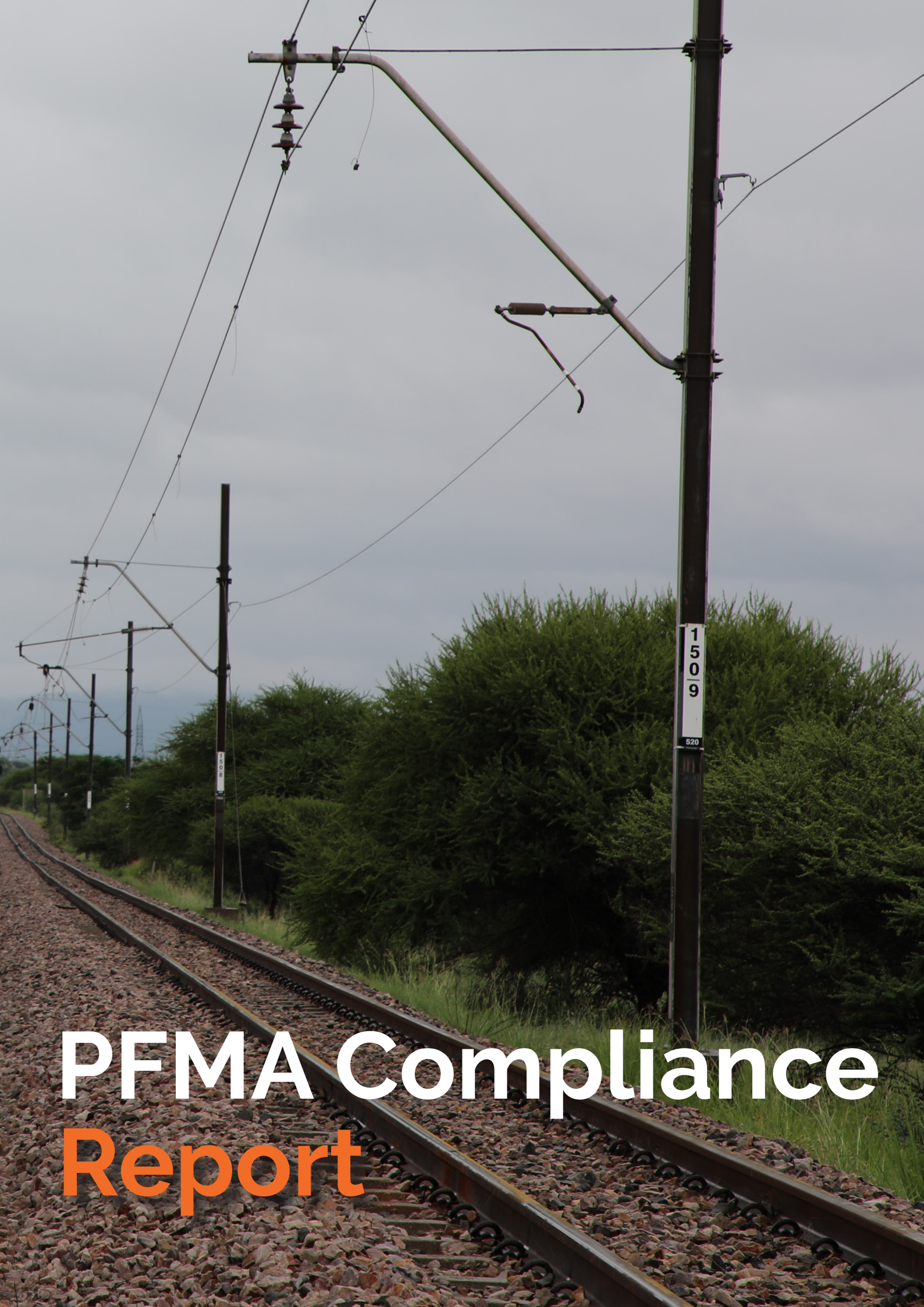
LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	3	3	1	0	1	0	0	1
Professional qualified	29	23	2	3	0	1	0	3
Skilled	31	29	0	4	0	2	0	4
Semi-skilled	9	10	1	1	0	1	0	2
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**72**	**65**	**4**	**8**	**1**	**4**	**0**	**10**

The full implementation of the Employment Equity Plan should be achieved by 31 May 2025. The variance between the current and the target figure is due to the implementation of the EE Plan.

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

The full implementation of the Employment Equity Plan should be achieved by 31 May 2025. The variance between the current and the target figure is due to the implementation of the EE Plan.


150/9
520



PFMA Compliance Report

Irregular, fruitless and wasteful expenditure and material losses

Irregular expenditure

Irregular Expenditure		
Reconciliation of irregular expenditure		
Description	**2024/25**	**2023/24**
	R	**R**
Opening Balance	83 972 098	67 289 961
Add: Irregular expenditure incurred	18 138 711	16 682 137
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Add: Irregular expenditure not recovered and written off	-	-
Closing balance	**102 110 809**	**83 972 098**

Reconciling notes to the annual financial statements' disclosure

Description	**2024/25**	**2023/24**
	R	**R**
Irregular expenditure that was under assessment in 2023/24	-	-
Irregular expenditure that relates to 2023/24 and identified 2024/25	-	-
Irregular expenditure for the current year	18 138 711	16 682 137
Total	**18 138 711**	**16 682 137**

Description	**2024/25**	**2023/24**
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	**-**	**-**

Fruitless and wasteful expenditure

Fruitless and wasteful Expenditure		
Reconciliation of fruitless and wasteful expenditure		
Description	**2024/25**	**2023/24**
Opening Balance	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	**-**	**-**

Reconciling notes to the annual financial statements disclosure

Description	2024/25	2023/24
Fruitless and wasteful expenditure that was under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2024/25	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**-**

Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))

Details of material losses through criminal conduct

Material losses through criminal conduct	2024/25	2023/24
	R	R
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-

Include discussion here where deemed relevant.

Details of other material losses

Nature of other material losses	2024/25	2023/24
	R	R
(Group major categories, but list material items)	-	-
	-	-
Total	**-**	**-**

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

Other material losses recoverable

Nature of losses	2024/25	2023/24
	R	R
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
Total	**-**	**-**

Include discussion here where deemed relevant.

Other material losses not recoverable and written off

Nature of losses	2024/25	2023/24
	R	R
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	**-**	**-**

N/A

Late and/or non-payment of suppliers

Description	Number of invoices	Consolidated Value
		R
Valid invoices received	1435	107 026 350
Invoices paid **within 30** days or agreed period	1311	93 985 600
Invoices paid **after 30** days or agreed period	65	4 185 270
Invoices older than 30 days or agreed period (*unpaid and without dispute*)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

Compliant invoices were paid within 30 days and as per our service level agreements.

Supply chain management

Procurement by other means

No	Project Description	Name of Supplier	Type of procurement by other means	Contract number	Value of contract
					R
1	Inaugural Rail Industry Awards 2024 Conference and Hotel Venue	The Venue – Houghton Hotel	Single source procurement		661 668
2	Annual Rail Safety Conference 2024 Conference Venue and Accommodation	Hazendal Wine Estate	Single source procurement		1 691 555
3	IODSA - Masterclass Board Leadership training	Institute of Directors South Africa	Single source procurement		11 689
4	Repair and Maintenance of a train set model	Aero Creations CC	Single source procurement		20 734
5	Annual Rail Safety Conference 2024 Accommodation	Asara Wine Estate and Hotel	Single source procurement		542 083
6	Annual Rail Safety Conference 2024 Accommodation	Devonvale Golf & Wine Estate (ABSA)	Single source procurement		274 400
7	Annual Rail Safety Conference 2024 Accommodation	De Wagen Boutique Hotel	Single source procurement		325 480
8	Training	Leadership Academy for Guardians of Governance	Sole source procurement		55 976
9	Participation in the government Initiative	Youth Employment Service (YES) Programme	Sole source procurement		820 215
10	Training	National School of Government	Sole source procurement		18 640
11	Annual Subscription	South African Bureau of Standards (SABS)	Sole source procurement		11 838
Total					**4 434 279**

Contract variations and expansions

No	Project Description	Name of Supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s *(if applicable)*	Value of current contract expansion or variation
					R	R	R
1	ARSC Fundraising Dinner	Ultimate travel	Variation		R226 275	R0	R14 500
2	Intranet and Website maintenance and support	Pii Digital	Variation		R1 324 800	R0	R580 520
3	Training of Executives and Senior Managers	IODSA	Variation		R202 950	R0	R84 787
4	RSR Staff Jackets	Lex Plush	Variation		R417 750	R0	R16 100
5	Conference Management Mobile App	Rise Up Productions Trading (PTY) LTD	Variation		R776 768	R0	R304 750
6	Provision of various temp resources	Pachedu Trading t/a People Dynamics Human Solutions	Variation		R925 605	R0	R548 578
7	Legal Representation @ the CCMA and Labour Court	Moja Sibiya Attorneys	Variation		R1 000 000	R0	R1 200 000
8	ARSC Speakers travel arrangements	Corporate travel	Variation		R252 596	R0	R13 640
9	Provision of legal services - Representation at Labour Court	Tshiqi Zebediela Attorneys	Variation		R490 000	R490 000	R600 000
Total					**R5 616 743**	**R490 000**	**R3 362 875**



Financial Information

Public entity's general information

Country of incorporation and domicile	South Africa
Legal form of entity	Public Entity in terms of Schedule 3A of the Public Finance Management Act
Nature of business and principal activities	To oversee and enforce safety performance by all rail operators in South Africa including those of neighbouring states who enter South Africa.
Registered office	Railway Safety Regulator Building 4 Waterfall Point Office Park Cnr Waterfall and Woodmead Drive Midrand 1685
Postal address	PO Box 11202 Centurion 0051
Bankers	ABSA
Auditors	Auditor General of South Africa Registered Auditors

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Abbreviations

GRAP	Generally Recognised Accounting Practice
IGRAP	Interpretation of Generally Recognised Accounting Practice
PFMA	Public Finance Management Act
RSR	Railway Safety Regulator

Accounting Authority's Responsibilities and Approval

The members of the RSR Board are required by the Public Finance Management Act (Act No. 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the Board to ensure that the Annual Financial Statements fairly present the state of affairs of the RSR as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Annual Financial Statements and were given unrestricted access to all financial records and related data.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.
The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledge that they are ultimately responsible for the system of internal financial control established by the RSR and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of misstatements or errors in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the RSR and all employees are required to maintain the highest ethical standards in ensuring the RSR's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the RSR is on identifying, assessing, managing and monitoring all known forms of risk across the RSR. While operating risk cannot be fully eliminated, the RSR endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements, however, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or errors.

The Board has reviewed and approved the budget of the RSR for the 2025/26 financial year and, in the light of this review and the current financial position, are satisfied that the RSR has access to adequate resources to continue in operational existence for the foreseeable future.

Though the Board is primarily responsible for the financial affairs of the RSR, they are supported by RSR's Internal and External Auditors.
The Annual Financial Statements set out on page 4, which have been prepared on the going concern basis, were approved by the Board on 29 May 2025 and were signed on its behalf by:



Mr Brian Monakali
CHIEF EXECUTIVE OFFICER



Ms Nompumelelo Ekeke
CHAIRPERSON OF THE BOARD

Auditor-General Report

Report of the auditor-general to Parliament on the Railway Safety Regulator

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Railway Safety Regular set out on pages x to x, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Railway Safety Regulator as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Irregular Expenditure

7. As disclosed in note 23 to the financial statements, irregular expenditure of R18 138 711 was incurred, as a proper tender process was not followed in the prior years relating to office accommodation. The contract is on going and has not been condoned.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance

is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 102 - 103 forms part of my auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PM) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objective presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following objective presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected an objective that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest

Objective	Page number	Purpose
Railways are safer	**35 -36**	Mitigating the risks of occurrences by establishing a collaborative risk-based regulatory approach to oversee, monitor and enforce railway safety.

14. I evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on it's mandate and objectives.
15. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected objective.

Report on compliance with legislation

18. In accordance with the PAA and the general notice

issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objective presented in the annual performance report that have been specifically reported on in this auditor's report.
23. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. The other information I obtained prior to the date of this auditor's report are the chief executive officer's review report, the statement of responsibility and confirmation of the accuracy of the annual report and broad based black economic empowerment compliance report.
26. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
27. When I do receive and read the foreword by the board chairperson and the audit and risk committee report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
29. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria
30 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sectionsorregulations
Public Finance Management Act 1 of 1999	Section51(1)(b)(i);51(1)(b)(ii);51(1)(e)(iii);53(4);54(2)(c); 54(2)(d);55(1)(a);55(1)(b);55(1)(c)(i);56;57(b);66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section45(2);45(3)(a)(ii);45(3)(b)(i);45(3)(b)(ii);45(4); 46(1)(a);46(1)(b);46(1)(c); 112(2)(a);129(7)
Construction Industry Development Board Act 38 of 2000	Section18(1)
Construction Industry Development Board Regulations, 2004	Regulation17;25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph4.8;4.9;5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph1
Erratum National Treasury Instruction No..5of 202/21	Paragraph2
National Treasury Instruction No. 1 of 2021/22	Paragraph4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph4.1;4.2(b);4,3;4.4;4.4(a);4.17;7.2;7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a);3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph3.2.1;3.2.4;3.2.4(a);3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph3.3
National Treasury Practice Note 7 of 2009/10	Paragraph4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section1;2.1(a);2.1(f)
Preferential Procurement Regulations, 2022	Regulation4.1;4.2; 4.3;4.4;5.1; 5.2;5.3;5.4
Preferential Procurement Regulations, 2017	Regulation4.1;4.2;5.1;5.3;5.6;5.7;6.1;6.2;6.3;6.6;6.8; 7.1;7.2;7.3;7.6;7.8;8.2;8.5;9.1;10.1;10.2;11.1;11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section34(1)

Annual Financial Statements

Statement of Financial Position at 31 March 2025

Description	Note(s)	2025	2024
Assets			
Current Assets			
Receivables from exchange transactions	3	4 382 265	4 979 877
Receivables from non-exchange transactions	4	-	44 250
Cash and cash equivalents	5	56 190 067	75 770 690
		60 572 332	**80 794 817**
Non-Current Assets			
Property, plant and equipment	6	23 854 598	26 332 265
Intangible assets	7	7 563 527	2 389 084
Operating lease deposit		3 831 476	3 478 729
		35 249 601	**32 200 078**
Total Assets		**95 821 933**	**112 994 895**
Liabilities			
Current Liabilities			
Payables from exchange transactions	8	39 399 424	31 358 398
Provisions	9	12 042 758	11 973 598
		51 442 182	**43 331 996**
Total Liabilities		**51 442 182**	**43 331 996**
Net Assets		**44 379 751**	**69 662 899**
Accumulated surplus		44 379 751	69 662 899

Statement of Financial Performance for the year ended 31 March 2025

Description	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Safety permit fees	10	196 504 394	188 110 753
Other revenue	13	3 603 034	6 806 770
Interest received	11	9 848 814	10 619 899
Total revenue from exchange transactions		**209 956 242**	**205 537 422**
Revenue from non-exchange transactions			
Administration grant		79 503 000	76 086 000
Penalties		482 500	501 450
Other income	12	242 961	16 857 357
Total revenue from non-exchange transactions		**80 228 461**	**93 444 807**
Total revenue		**290 184 703**	**298 982 229**
Expenditure			
Employee related costs	14	(201 279 594)	(184 604 297)
Depreciation, amortisation and impairment		(6 247 290)	(5 648 153)
Debt impairment and write - off	15	189 296	(1 033 684)
Loss on disposal of assets		(207 637)	(458 713)
General expenses	16	(107 922 626)	(100 324 334)
Total expenditure		**(315 467 851)**	**(292 069 181)**
(Deficit)/Surplus for the year		**(25 283 148)**	**6 913 048**

Statement of Changes in Net Assets for the year ended 31 March 2025

Description	Accumulated surplus	Total net assets
Balance at 01 April 2023	**62 749 851**	**62 749 851**
Changes in net assets		
Surplus for the year	6 913 048	6 913 048
Total changes	6 913 048	6 913 048
Balance at 01 April 2024	**69 662 899**	**69 662 899**
Changes in net assets		
Surplus for the year	(25 283 148)	(25 283 148)
Total changes	(25 283 148)	(25 283 148)
Balance at 31 March 2025	**44 379 751**	**44 379 751**

Cash Flow Statement for the year ended 31 March 2025

Description	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Sale of goods and services		200 476 283	214 147 387
Grants		79 503 000	76 086 000
Interest income		9 859 531	10 587 208
		289 838 814	**300 820 595**
Payments			
Employee costs		(200 424 320)	(184 322 727)
Suppliers		(99 999 375)	(121 397 531)
		(300 423 695)	**(305 720 258)**
Net cash flows from operating activities	17	**(10 584 881)**	**(4 899 663)**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(3 649 450)	(2 678 686)
Proceeds on sale of assets		81 053	183 317
Purchase of other intangible assets	7	(5 427 345)	(2 104 007)
Net cash flows from investing activities		**(8 995 742)**	**(4 599 376)**
Net decrease in cash and cash equivalents		**(19 580 623)**	**(9 499 039)**
Cash and cash equivalents at the beginning of the year		75 770 690	85 269 729
Cash and cash equivalents at the end of the year	5	**56 190 067**	**75 770 690**

Statement of comparison of budget and actual amounts for the year ended 31 March 2025

Budget on Cash Basis

Description	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
Safety application fees	483 804	-	**483 804**	827 626	**343 822**	N1
Safety permit fees	196 667 003	-	**196 667 003**	195 676 768	**(990 235)**	
Interest received	4 328 000	4 000 000	**8 328 000**	9 848 814	**1 520 814**	N2
Other revenue	-	2 581 017	**2 581 017**	3 603 034	**1 022 017**	N3
Total revenue from exchange transactions	**201 478 807**	**6 581 017**	**208 059 824**	**209 956 242**	**1 896 418**	
Revenue from non-exchange transactions						
Transfer revenue						
Administration grant	79 503 000	-	**79 503 000**	79 503 000	**-**	
Penalties	-	-	**-**	482 500	**482 500**	N4
Other income	-	-	**-**	242 961	**242 961**	N5
Total revenue from non- exchange transactions	**79 503 000**	**-**	**79 503 000**	**80 228 461**	**725 461**	
Total revenue	**280 981 807**	**6 581 017**	**287 562 824**	**290 184 703**	**2 621 879**	
Expenditure						
Employee costs	(180 026 367)	-	**(180 026 367)**	(201 279 594)	**(21 253 227)**	N6
Non - executive directors remuneration	(4 009 057)	(560 403)	**(4 569 460)**	(4 532 369)	**37 091**	
External audit fees	(3 432 340)	(419 195)	**(3 851 535)**	(4 069 725)	**(218 190)**	
Consulting and professional fees	(27 578 151)	(26 268 600)	**(53 846 751)**	(23 227 369)	**30 619 382**	N7
Depreciation, amortisation and impairment	-	-	**-**	(6 247 290)	**(6 247 290)**	N8
Repairs and maintenance	(300 000)	(1 368 259)	**(1 668 259)**	(1 467 964)	**200 295**	N9
Office rental	(15 067 353)	151 005	**(14 916 348)**	(15 271 575)	**(355 227)**	
Debt Impairment	-	-	**-**	189 296	**189 296**	N10
General expenses	(44 636 859)	(19 097 318)	**(63 734 177)**	(59 353 624)	**4 380 553**	N11
Loss on disposal of assets	-	-	**-**	(207 637)	**(207 637)**	N12
Total expenditure	**(275 050 127)**	**(47 562 770)**	**(322 612 897)**	**(315 467 851)**	**7 145 046**	
Budget Surplus /(Deficit)	**5 931 680**	**(40 981 753)**	**(35 050 073)**	**(25 283 148)**	**9 766 925**	
Deficit for the year from continuing operations	**5 931 680**	**(40 981 753)**	**(35 050 073)**	**(25 283 148)**	**9 766 925**	
Capital expenditure	(5 931 680)	(4 768 254)	**(10 699 934)**	(9 151 703)	**1 548 231**	N13
Actual amounts on comparable basis as presented in the budget and actual comparative statement	**-**	**(45 750 007)**	**(45 750 007)**	**(34 434 851)**	**11 315 156**	
Reconciliation						
Basis difference						
Capital expenditure				9 151 703		
Actual amounts in the Statement of Financial Performance				**(25 283 148)**		

Variance of 10% or more between the budget and actual amounts are regarded as material and all material differences are explained.

N1. Safety application fees - R343 822

The variance between the budgeted and actual revenue for application fees is primarily attributable to the receipt of new permit application in the 2024/25 financial year.

N2. Interest received - R1 520 814

Interest income earned during the financial year was primarily as a result of effective cash flow management. The entity maintained a consistently high bank balance by ensuring that payments to suppliers were made only when the invoices became due. This approach allowed available funds to remain in the interest-earning account for longer periods, thereby maximising interest income.

N3. Other revenue from exchange transactions R1 022 017

The RSR received a higher than anticipated conference and sponsorship fees for the 2024 Annual Rail Safety Conference (ARSC).

N4. Penalties - R482 500

RSR does not budget for penalties.

N5. Other income from non-exchange transactions R242 961

This represent insurance proceeds for lost assets, proceeds for sale of old assets not in use and recovery of bursary expenses in line with the bursary policy.

N6. Staff cost R21 253 227

The variance arose from the payment of voluntary severance packages and provision of 2024/25 performance bonus during the 2024/25 financial year.

N7. Consulting and Professional fees - R30 619 382

The variance resulted from the planned for expenditure not invoiced by year-end. Due to under expenditure or purchase order issued, but services have not been delivered by year-end. A portion of this amount represent commitment at year-end.

N8. Depreciation and Amortisation

RSR does budget for non-cash items

N9. Repairs and Maintanance R200 295

This variance resulted from the planned for expenditure not invoiced by year end. Due to purchase order issued but servises have not been delivered by year-end. A portion of this amount represents commitment at year-end.

N10. Debt Impairment R189 206

RSR does not budget for bad debts and debt impairment.

N11 General expenses - R4 380 553

This variance resulted from the planned for expenditure not invoiced by year-end due to under expenditure or purchase order issued, but services have not been delivered by year-end. A potion of this amount represents commitments at year-end.

N12. Loss on disposal of assets - R207 637

RSR does not budget for non-cash items.

N13. Capital expenditure R1 548 231

The variance resulted from the planned for expenditure not invoiced by year-end, due to purchase order issued but services have not been delivered by year-end. A portion of this amount represent commitment at year-end.

Significant Accounting Policies

1. Presentation of Annual Financial Statements

The significant accounting policies applied in the preparation of these Annual Financial Statements are set out below.

1.1 Basis of preparation

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 55 of the Public Finance Management Act (Act 1 of 1999).

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand and rounded off to the nearest rand. These Annual Financial Statements comply with the Generally Recognised Accounting Practice.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of significant accounting policies that have been consistently applied in the preparation of these Annual Financial Statements and those of the previous years is disclosed below.

1.2 Comparative information

When the presentation or classification of items in the Annual Financial Statements are amended, prior period comparative amounts are restated if material. The nature and reason for the reclassification is disclosed. Where the accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as practicable, and the prior year comparative are restated accordingly.

1.3 Going concern assumption

These Annual Financial Statements have been prepared based on the expectation that the RSR will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimates

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include:

Receivables

The RSR assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or errors, the RSR makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Management has applied its judgement in estimating the extend of any impairment deemed necessary on the gross carrying value of receivables and has impaired all the doubtful amounts in arrears for a longer than normal expected trading terms. The

Management has however, in certain instances not impaired certain overdue accounts based on the information available at the reporting date.

Budget variance

The budget is prepared and presented on a cash basis. The non-cash items such as depreciation, amortisation are not budgeted for. Variances of 10% or more between budget and actual amounts are regarded as material. All material differences are explained.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the RSR for similar financial instruments.

Impairment testing

The RSR reviews and tests the carrying values of assets when events or changes in the circumstances suggest that the carrying amounts may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for assets.

Significant Accounting Policies

Provisions

Provisions were raised and management determined an estimate based on the information available, as well as past experience.

Useful life of assessment

In determining the useful life and residual values of each item of property, plant and equipment and intangible assets, management takes the nature and condition of each asset type and current and future usage into consideration.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the RSR; and
- the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.
The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	10 - 20 years
Motor vehicles	Straight-line	12 - 15 years
Office equipment	Straight-line	6 - 20 years
IT equipment	Straight-line	6 - 12 years
Leasehold improvements	Straight-line	5 -10 years

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the RSR. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The RSR assesses at each reporting date whether there is any indication that the RSR expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the RSR revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate or an error if it is deemed that the useful lives were assessed incorrectly.

The depreciation charge for each period is recognised in surplus or errors unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or errors when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The RSR separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the RSR or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the RSR; and
- the cost or fair value of the asset can be measured reliably.

The RSR assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset, and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 - 11 years

The RSR discloses relevant information relating to assets under development, in the notes to the financial statements.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or errors when the asset is derecognised.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of RSR and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an RSR's statement of financial position.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- Cash;
- Residual interest of another entity; or
- A contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to RSR.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- Deliver cash or another financial asset to another entity; or
- Exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Liquidity risk is the risk encountered by the RSR in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition
The RSR recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement
The RSR initially measures statutory receivables at their transaction amount.

Subsequent measurement
The RSR measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses
The RSR assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the RSR considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the RSR measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or errors.

In estimating the future cash flows, the RSR considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted. An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or errors.

Derecognition
The RSR derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the RSR transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

- the RSR, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or errors in the period of the transfer.

1.9 Taxation

Income tax

The RSR has obtained income tax exemption from the Commissioner of the South African Revenue Services in line with section 10(1)(a) of the Income Tax Act of 1962 as amended.

Value Added Tax

The RSR is exempt from the Value Added Tax.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. When a lease includes both land and buildings elements, the RSR assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the RSR's incremental borrowing rate if it is impractical to determine the interest rate implicit in the lease. The present value of the lease is considered to be substantially all of the fair value when it exceeds 95% of the fair value of the leased assets.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability. The RSR's incremental borrowing rate is the prime interest rate.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand and short-term deposits held with the South African Banks. The shortterm deposits are deposits held with the commercial banks and Corporation for Public Deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.12 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cashgenerating assets, are as follows:

1.13 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the RSR; or
- the number of production or similar units expected to be obtained from the asset by the RSR.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cashgenerating assets, are as follows:

The assets of the RSR are designated as non-cash generating assets as they are not used with the objective of generating commercial return but for use in delivering its mandate of overseeing and enforcing railway safety performance by operators.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The RSR assesses at each reporting date whether there is any indication that a non-cash-generating asset may be

impaired. If any such indication exists, the RSR estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential. The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or errors.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the RSR recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The RSR assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the RSR estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or errors. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 Segment information

The RSR is organised and reports based on the basis of two programmes namely, administrative support and Operations. These programmes are treated as cost centres for the purposes of cost control and resources allocation, the existing set up and operations does not warrant segment reporting.

1.15 Employee benefits

Identification

Employee benefits
Employee benefits are all forms of consideration given by an RSR in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the reporting period in which the employees render the related service. Short-term employee benefitsbinclude items such as:

- Salaries;
- Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for absences is due to be settled within twelve months after the

end of the reporting period in which the employees render the related employee service;

- Bonus, incentive and performance related payments payable within twelve months after the end of reporting period in which the employees render the related service; and
- Other benefits (for example, medical care, cellphones allowances, long service awards) for current employees.

When an employee has rendered service to the RSR during the period, the RSR recognises the undiscounted amount of the short-term employee benefits expected to be paid in exchange for a service:

- As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the RSR recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in the future payments or a cash refund; and
- As an expense, unless another standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The RSR measures the expected cost of accumulating compensated absences as the additional amount that the RSR expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The RSR recognises the expected cost of bonus, incentive and performance related payments when the RSR has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the RSR has no realistic alternative but to make the payments.

Retirement benefits: Defined contribution plans

The RSR provides retirement benefits for its employees. Defined contribution plans are retirement benefits plans under which the RSR pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the RSR during a reporting period, the RSR recognises the contribution payable to a defined contribution plan in exchange for that service:

- As a liability (accrued expense), after deducting any contribution already paid; and
- As an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

1.16 Provisions and contingencies

Provisions are recognised when:

- the RSR has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Where a fee is charged and the RSR considers that an outflow of economic resources is probable, an RSR recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.17 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments. Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts are excluded.

1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the RSR receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (noncontractual) arrangement (see the accounting policy on Statutory Receivables).

Technology audits

The RSR conducts technology audits and charges fees in accordance with section 17(1)(bB) of the National Railway Safety Regulator Act, No.16 of 2002 as amended. When the outcome of a technology review transaction can be estimated reliably, revenue will be recognised by reference to stage of completion of the transaction at the reporting date. The stage of completion will be determined using the life cycle phases as indicated in the published Gazette.

Safety application and permit fees

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue arising from safety permit fees as published in the Government Gazette by the Minister of Transport on an annual basis is recognised on an accrual basis, when economic benefit is probable.

Interest received

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. RSR interest comprises of interest charged on the debtor's overdue accounts and favourable bank balances.

1.19 Revenue from non-exchange transactions

Revenue comprises of gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

The revenue from administration grant and penalties is considered as revenue from a non-exchange transaction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Fines and penalties

Revenue from fines and penalties is recognised when:

- It is probable that economic benefits or services potential associated with the transaction will flow to RSR; and
- The amount of the revenue can be measured reliably
- This comprise of revenue arising from penalties charged as a result off failure of operators to comply with any provision of the National Railway Safety Regulator Act No.16 of 2002 as amended,the regulations and the standards that inhibit or prevent the Regulator"s ability to perform its mandate.

Unconditional grant

Adminitstrative grants received or receivable from the Department of Transport represent unconditional governments grants and are recognised as a revenue when:

- It is probable that the economic benefits or services potential associated with the transaction will flow to RSR:
- the amount of the revenue can be measured reliably: and
- to the extent that there has been compliance with any restrictions associated with the grant

The RSR recognises an assets in respect of transfers when the transferred resources meet the definition of an assets and satisfy the criteria for recognition as an assets. Transferred assets are measured at their fair value as at the date of acquisition.

To the extent that an assets has not been recognised, a deffered income will be recognised as a liability. The deffered income will be transferred to revenue as and when the condition attached to the grant are satisfied.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for in the statement of financial performance in the year it was incurred and where recoverable it is treated as current asset in the statement of financial position until it is recovered or written off as irrecoverable. Fruitless and wasteful expenditure when incurred and confirmed it is disclosed in the Annual Financial Statements. This relates to the fruitless and wasteful expenditure incurred in the current financial year, with a one previous comparative analysis. Fruitless and wasteful expenditure for the previous financial year must be recognised in the period in which it relates to including:

- Fruitless and wasteful expenditure incurred and confirmed in the previous financial year
- Fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year
- Fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

1.22 Irregular expenditure

Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with the RSR Supply Chain Policy, PFMA, National Treasury Regulations, PPPFA, State Tender Board Act or any other applicable legislation providing for the procurement procedures such expenditure is accounted for in the statement of financial performance.

Irregular expenditure incurred and confirmed during the current financial year is disclosed in the notes to the Annual Financial Statements with a one year comparative analysis. Irregular expenditure for the previous financial year must be accounted for in the period in which it relates to, including:

- Irregular expenditure incurred and confirmed in the previous financial year

- Irregular expenditure that was under assessment in the previous financial year and confirmed in the current year
- Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year
- Irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

1.23 Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred.

An asset arising from development is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

1.24 Budget information

RSR are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by RSR shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

The Annual Financial Statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the Statement of Comparison of Budget and Actual Amounts.

1.25 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the RSR, including those charged with the governance of the RSR in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the RSR.

The RSR is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the RSR to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the RSR is exempt from the disclosures in accordance with the above, the RSR discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its Annual Financial Statements.

Description	2025	2024

2. New standards and interpretation

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 (as revised) Mergers	Date to be determined	Unlikely there will be a material impact
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	Date to be determined	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	Date to be determined	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	Date to be determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Date to be determined	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	Date to be determined	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Expected impact is material

3. Receivables from exchange transactions

Trade debtors	1 454 768	1 479 667
Prepayments	2 908 338	3 431 716
Deposits	98 329	402 170
Staff debts	53 566	84 372
Impairment allowance	(132 736)	(418 048)
	4 382 265	**4 979 877**

Statutory receivables included in receivables from exchange transactions above are as follows:

Safety permit fees	656 625	1 136 706

Other non - statutory receivables included in receivables from exchange transactions above are as follows:

Prepayments	2 908 338	3 431 716
Deposits	98 329	402 170
Staff debt	53 566	84 372
Other trade debtors	798 143	342 961
Impairment allowance	(132 736)	(418 048)
	3 725 640	**3 843 171**
Total receivables from exchange transactions	**4 382 265**	**4 979 877**

Description	2025	2024

Statutory receivables general information

Transaction(s) arising from statute

The statutory receivables of the RSR comprises safety permit fees charged to the rail operators. The safety permit fees and penalties are charged to rail operators in terms of sections 23(2) of the National Railway Safety Regulator Act of 2002 as amended.

Determination of transaction amount

Safety permit fees

The Minister of Transport annually determines in terms of section 23(2)(a), fees that the Railway Safety Regulator must charge for the safety permit. The safety permit fees are published for compliance and general information in the Government Gazette. The fees are determined for each category of operators.

Technology audits

The Minister of Transport may in terms of section 17(1)(b-B) determine in consultation with Minister of Finance by notice in the Gazette, fees for providing services by the Railway Safety Regulator. The legislation is currently under review and RSR did not charge for technology audits during the year.

Interest or other charges levied/charged

The Interest was charged on the statutory receivable arising from exchange receivable transactions at 31 March 2025 in line with RSR revenue and receivable policy.

Basis used to assess and test whether a statutory receivable is impaired

In terms of the RSR's revenue and receivable policy, an invoice is overdue when it is more than 30 days. RSR assesses receivables for impairment based on the receivable age analysis and consideration of the reasons provided by debtors for the delayed payments.

Trade and other receivables past due but not impaired

Relating specifically to statutory receivables

Statutory receivables which are less than 30 days past due are not considered to be impaired. At 31 March 2025, R411 635 - (2024: R513 633) were past due but not impaired due but not impaired due to confirmation obtained for future payment

The ageing of amounts past due but not impaired is as follows:

Age		
31- 60 Days	11 936	342 849
61-90 Days	168 862	-
Over 120 Days	230 837	170 784
	411 635	**513 633**

Reconciliation of provision for impairment of total trade and other receivables

Opening balance	418 048	210 104
Provision for impairment	132 736	418 048
Impairment reversal	(388 188)	(210 104)
Amounts written-off as uncollectable	(29 860)	-
	132 736	**418 048**

Description	2025	2024

4. Receivables from non-exchange transactions

Penalties	-	44 250

Total trade and other receivables past due and impaired

As on 31 March 2025, the trade and other receivables relating to receivable from exchange transactions were impaired and provided for. The amount of the provision was R132 736 as of 31 March 2025 (2024: R418 048). These amounts were impaired because there were no adequate responses from the debtors despite several follow-up. These debtors were handed over to Legal services for collection.

The ageing of these receivables is as follows:

Over 120 Days	132 736	418 048

5. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term deposits with reserve bank

Cash on hand	12 965	12 941
Bank balances	2 522 381	388 856
Short-term deposits	53 654 721	75 368 893
	56 190 067	**75 770 690**

6. Property, plant and equipment

	2025			2024		
	Cost / valuation	Accumulated depreciation and impairment losses	Carrying value	Cost/ valuation	Accumulated depreciation and impairment losses	Carrying value
Furniture and fixtures	6 208 017	(2 701 779)	3 506 238	5 884 378	(2 056 711)	3 827 667
Motor vehicles	7 931 189	(3 159 566)	4 771 623	7 931 189	(2 505 543)	5 425 646
Office equipment	9 445 724	(4 784 764)	4 660 960	8 628 506	(3 568 685)	5 059 821
IT equipment	10 101 051	(5 562 718)	4 538 333	9 630 883	(4 974 594)	4 656 289
Leasehold improvements	14 416 796	(8 039 352)	6 377 444	15 110 327	(7 747 485)	7 362 842
Leased assets	38 022	(38 022)	-	72 563	(72 563)	-
Total	**48 140 799**	**(24 286 201)**	**23 854 598**	**47 257 846**	**(20 925 581)**	**26 332 265**

Description	2025	2024

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Furniture and fixtures	3 827 667	599 014	(156 410)	(344 362)	(419 671)	3 506 238
Motor vehicles	5 425 646	-	-	(654 023)	-	4 771 623
Office equipment	5 059 821	912 788	-	(1 307 192)	(4 457)	4 660 960
IT equipment	4 656 289	1 452 556	(51 227)	(1 519 285)	-	4 538 333
Leasehold improvements	7 362 842	760 000	-	(1 745 398)	-	6 377 444
	26 332 265	**3 724 358**	**(207 637)**	**(5 570 260)**	**(424 128)**	**23 854 598**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	4 287 217	43 900	(163 448)	(340 002)	3 827 667
Motor vehicles	5 282 363	780 738	-	(637 455)	5 425 646
Office equipment	5 307 201	1 119 684	(109 654)	(1 257 410)	5 059 821
IT equipment	5 003 434	1 183 359	(185 610)	(1 344 894)	4 656 289
Leasehold improvements	9 177 139	-	-	(1 814 297)	7 362 842
	29 057 354	**3 127 681**	**(458 712)**	**(5 394 058)**	**26 332 265**

Description	2025	2024

7. Intangible assets

	2025			2024		
	Cost / valuation	Accumulated depreciation and impairment losses	Carrying value	Cost/ valuation	Accumulated depreciation and impairment losses	Carrying value
Computer software, internally generated	23 381 827	(17 328 450)	6 053 377	17 360 625	(17 183 982)	176 643
Work in progress, internally generated	1 510 150	-	1 510 150	2 104 007	-	2 104 007
Other computer software	883 895	(883 895)	-	883 895	(775 461)	108 434
Total	**25 775 872**	**(18 212 345)**	**7 563 527**	**20 348 527**	**(17 959 443)**	**2 389 084**

Reconciliation of intangible assets - 2025

	Opening Balance	Additions	Transfers	Amortisation	Total
Computer software, internally generated	176 643	-	6 021 202	(144 468)	6 053 377
Work in progress, internally generated	2 104 007	5 427 345	(6 021 202)	-	1 510 150
Other computer software	108 434	-	-	(108 434)	-
	2 389 084	**5 427 345**	**-**	**(252 902)**	**7 563 527**

Work in progress to the value of R6 million was transferred to finished asset for internally generated Intangible assets (NIIMS-NextGen.Work in progress of R1.5 million at year-end relates to the development of Safety Risk Model. Impairment to the value of R419 670 on furniture and R4 457 on office equipment was done on eastern region assets.

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, internally generated	354 265	-	-	(177 622)	176 643
Work in progress, internally generated	-	2 104 007	-	-	2 104 007
Other computer software	184 905	-	(1)	(76 470)	108 434
	539 170	**2 104 007**	**(1)**	**(254 092)**	**2 389 084**

Description	2025	2024

8. Payables from exchange transactions

Trade payables	5 745 521	5 546 998
Revenue received in advance	7 508 000	7 773 517
Other payables and accruals	8 857 471	1 654 599
13th cheque accrual	182 765	149 817
Operating lease accrual [1]	10 579 456	10 460 422
Accrued leave pay	6 526 211	5 773 045
	39 399 424	**31 358 398**

Analysis of trade and other payables

0 to 30 Days	5 655 252	3 303 254
31 to 60 Days	90 269	229 172
Over 90 Days	-	1 895
Over 120 Days	-	2 012 677
	5 745 521	**5 546 998**

[1] Operating lease payables relates to smoothing of operating lease rentals in respect of RSR offices

Description	2025	2024

9. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Total
Employee benefits - Performance bonus	11 973 598	12 042 758	(11 973 598)	12 042 758

Provision for performance bonus for the 2024/25 financial year of which the exact amount is unknown due to outstanding moderation and final approval.

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Total
Employee benefits-Performance bonus	10 651 224	11 973 598	(10 651 224)	11 973 598
Other provisions - Litigation settlement	3 310 756	3 310 756	3 310 756	-
	13 961 980	**11 973 598**	**(13 961 980)**	**11 973 598**

10. Safety permit fees

Safety permit fees	195 676 768	186 380 319
Safety application fees	827 626	1 730 434
	196 504 394	**188 110 753**

11. Interest received

Interest earned on bank balance	9 753 129	10 492 206
Interest earned on debtor's balances	95 685	127 693
	9 848 814	**10 619 899**

The decrease in interest received is as a result of grant income which was received in quarterly instalments rather than once off payment at the beginning of the financial year.

12. Other income

Fruitless and wastefull expenditure recovered	-	16 064 949
Bursary recoverable	30 800	154 695
Other recoverable income	212 161	637 713
	242 961	**16 857 357**

Description	2025	2024

13. Other revenue

Sponsorship	2 327 500	2 095 000
Conference fees	1 275 534	4 512 274
Other recoverable income	-	199 496
	3 603 034	**6 806 770**

14. Employee related cost

Salaries[1]	99 782 768	81 688 280
Performance bonus	12 747 224	13 713 097
Medical aid	7 408 523	6 784 253
Unemployment insurance fund	625 234	610 677
Union Fees	108 218	108 296
Leave pay accrual	753 167	1 282 643
Pension fund	19 496 735	16 698 449
Salaries leave paid[1]	3 959 693	3 302 387
13th cheque	511 943	557 038
Ex - gratia	-	8 330 878
South African Revenue Services (PAYE)	55 886 089	51 528 299
	201 279 594	**184 604 297**

[1] Included in salaries for the year is an amount of R4.9 million relating to Voluntary Separation Packages (VSP) paid to employees as part of retrenchment. Additionally, an amount of R340 000 was paid out in respect of accrued leave entitlements. These amounts are non-recurring and form part of the total salaries and employee benefits expense reported in the statement of financial performance at 31 March 2025.

15. Debt impairment and write-off

General write-off	96 016	626 382
Debt impairment	(285 312)	407 302
	(189 296)	**1 033 684**

Description	2025	2024

16. General expenses

External audit fees	4 069 725	2 171 042
Railway safety outreach and awareness	7 006 084	9 317 321
Bank charges	105 177	106 187
Cleaning	1 219 030	894 782
Computer expenses	3 474 485	3 161 242
External bursary	1 054 179	1 074 321
Postage and couriers	219 244	224 401
Catering	1 078 199	1 161 267
Gifts	93 878	135 305
Insurance	1 536 350	1 424 117
Conferences and seminars	10 176 306	11 205 428
Penalties (sars)	157 685	-
Placement fees	665 411	716 683
Printing and stationery	563 403	51 475
Protective clothing	358 173	191 529
Repairs and maintenance	1 467 964	960 247
Subscriptions and membership fees	1 222 487	1 136 410
Telephone and data	4 821 721	2 888 337
Training	2 513 494	3 214 212
Travel - local	9 491 618	9 513 204
Travel - International	5 995 302	2 737 573
Municipal services	6 487 635	5 976 582
Corporate stationery	529 060	510 207
Office rental	15 271 575	14 983 378
Workmen's compensation	140 069	151 417
Library & literature	247 584	357 631
Non - executive directors remuneration	4 532 369	4 486 899
Consulting and professional fees	23 227 369	21 308 903
Relocation cost	197 050	264 234
	107 922 626	**100 324 334**

Description	2025	2024

17. Cash used in operations

(Deficit)/surplus	(25 283 148)	6 913 048
Adjustments for:		
Depreciation and amortisation and impairment	6 247 290	5 648 153
Loss on sale of assets	207 637	458 713
Proceeds from sale of assets	(81 053)	(183 317)
Changes in working capital:		
Receivables from exchange transactions	492 137	2 248 014
Payables from exchange transactions	7 832 256	(19 984 274)
	(10 584 881)	**(4 899 663)**

18. Commitments

Approved and contracted for		
Already contracted for but not provided for		
• Property, plant,equipment and intangible assets	20 557 819	15 658 225
Total capital commitments		
Already contracted for	20 557 819	15 658 225
Authorised operational expenditure		
Already contracted for		
• General expenditure	123 013 489	159 690 026
Total operational commitments		
General expenditure	123 013 489	159 690 026
Total commitments		
Total commitments approved and contracted for		
Capital expenditure	20 557 819	15 658 225
General expenditure	123 013 489	159 690 026
	143 571 308	**175 348 251**

Description	2025	2024
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year		
Building 2 Central office	3 292 985	3 077 556
Building 4 Head office	9 748 223	9 110 489
Building Eastern region	-	660 127
Building Coastal region	1 847 982	845 821
- in second to fifth year inclusive		
Building 2 Central Office	14 139 690	14 620 668
Building 4 Head office	40 775 885	43 281 555
Building Eastern region	-	-
Building Coastal region	959 529	-
- later than five years		
Building 2 Central Office	-	2 812 008
Building 4 Head office	-	7 242 554
	70 764 294	**81 650 778**

There were no other significant leases that needed GRAP 13 disclosure.

Description	2025	2024

19. Contingencies

1. Termination of employee contracts:

1.1 An unfair dismissal was referred to the CCMA. The matter was withdrawn pending the Labour Court review. This matter is currently pending at the Labour Court for a review by the RSR and awaiting set-down date. A possible award equivalent to twenty-four months salary has been provided for on a contingent basis to the amount of R2.8 million.

1.2 The employee contract was terminated as a result of their failure to satisfy a resolutive condition to obtain the minimum requirement for her employment. The employee is pleading for the reinstatement and the matter is pending at the Labour Court and awaiting Court date. This matter is at the Labour Court with a claim valued at R1 million equivalent to twenty-four months salary.

1.3 During the current financial year, the RSR received an application for condonation of a matter previously heard and withdrawn by the applicant. The employee's contract was terminated as a result of failure to satisfy condition to obtain the minimum requirement for employment. The employee was pleading for reinstatement. The former employee has attempted to resuscitate the matter after more than a year has elapsed. The CCMA heard the oral arguments on 26 August 2024 and subsequently issued a ruling granting condonation. The RSR received a notice of set down for 12 January 2025, however, the RSR has filed its review papers and informed the CCMA accordingly to place the arbitration in abeyance until the review application is heard by the Labour Court. The Court accordingly heard the matter on 18 March 2025 and decision handed down on 25 March 2025 in favour of the RSR. The CCMA has been ordered to stale and not proceed to set down the matter until the review application is finalised. A possible award equivalent to twenty-four month's salary to the amount of R1.2 million has been contingently provided for.

1.4 An unfair termination dispute was referred to the CCMA where the finding was in favour of the RSR. The matter has been referred to the Labour Court and awaiting set down date. A possible award equivalent to twenty-four months salary amounting to R3.3 million has been contingently provided for.

2. Unfair labour practice

2.1 An unfair labour practice dispute was referred to CCMA challenging the "person to holder" principle. The matter was set down on 18 October 2022. The Commissioner delivered his ruling on 04 November 2022 in favour of the RSR. The applicant has proceeded the matter to the Labour Court and matter is pending and awaiting Court date. The estimated value of the claim is R142 000.

2.2 On 01 June 2023, a former employee of the RSR issued a letter of demand to the RSR alleging a breach of employment contract and claimed that she suffered damages amounting to R11.2 million. This matter is pending at Labour Court and awaiting court date.

3. Application for retention of surplus funds

Section 53(3) of the Public Finance Management Act states that a public entity that submit a budget in terms of subsection (1), may not budget for deficit and may not accumulate surpluses unless the prior approval of the National Treasury has been obtained. The Railway Safety Regulator is a Schedule 3A public entity and has declared surplus to the amount of R6.1 million on 31 March 2025 in terms of National Treasury Instruction No.12 of 2020/21. The Railway Safety Regulator had commitments to the amount of R35.4 million on 31 March 2025. The Railway Safety Regulator will apply to the National Treasury to retain the R6.1 million surplus to be able to fund some of its commitments on 31 March 2025. The surplus funds of R6.1 million are disclosed as a contingent liability as they are subject to National Treasury approval which is expected to be obtained during the period from August to November 2025.

Description	2025	2024

20. Related parties

Relationships

Executive authority	Minister of Transport - Ms Barbara Creecy
Controlling entity	National Department of Transport
Related entity	Entity reporting to the Department of Transport
Members of key management	Mr Bongani Sibiya - Acting Chief Executive Officer
	Ms Mologadi Mametja - Company Secretary
	Ms Rirhandzu Mashava - Chief Operations Officer
	Ms Malerato Kekana - Chief Audit Executive
	Ms Madelein Williams - Executive Media and Communications
	Mr Mmuso Selaledi - Chief Financial Officer
	Ms Varsha Sewlal - Executive Legal Services
	Mr Tshepo Mothoagae - Chief Information Officer
	Ms Fulufhelo Tshidada - Acting Executive Risk and Strategy[1]

Related party transactions

National Department of Transport (Controlling entity)		
Administration grant	79 503 000	76 086 000
Conference income	-	102 000
Passenger Rail Agency of South African (PRASA)		
Safety permit fees	37 672 153	35 776 024
Sponsorships	1 200 000	850 000
Conferences	95 000	304 000
Transnet SOC Limited		
Safety permit Fees	126 378 866	120 017 917
Conferences	256 500	197 000
Related party balances		
Transnet SOC Limited (Conferences)	104 500	-

Description	2025	2024

Remuneration of management

Management class: Executive management

2025

Name	Basic salary	Medical and Pension	Performance Bonuses	Leave paid out	Other expenses	Total
Mr M Selaledi - Chief Financial Officer[1]	3 481 007	118 458	394 154	71 816	20 763	4 086 198
Mr B Sibiya - Executive Human Resources Acting Chief Financial officer [2]	1 885 536	358 844	269 449	48 274	25 164	2 587 267
Ms T Tenyane - Acting Chief Financial Officer [3]	1 462 607	277 396	205 745	35 677	19 852	2 001 277
Mr A Tjatji - Acting Chief Financial Officer [4]	1 715 479	323 395	184 302	45 629	152	2 268 957
Ms M Williams - Executive Media and Communications	2 227 850	293 243	321 574	56 878	78 126	2 977 671
Ms LM Mametja - Company Secretary	1 759 465	231 328	226 374	-	1 216	2 218 383
Mr T Mothoagae - Chief Information Officer	2 022 201	199 968	179 633	48 274	14 053	2 464 129
Ms F Tshidada - Acting Executive Risk and Strategy [4]	1 654 934	254 571	205 745	36 861	21 827	2 173 938
Ms M Kekana - Chief Audit Executive	2 002 959	492 544	321 574	56 878	19 721	2 893 676
Ms V Sewlal - Executive Legal Services	1 663 840	375 761	90 976	45 047	1 532	2 177 156
Ms R Mashava-Chief Operations Officer [6]	1 349 480	186 569	-	69 997	304	1 606 350
	21 225 358	**3 112 077**	**2 399 526**	**515 331**	**202 710**	**27 455 002**

[1] Acting Chief Executive Officer from 01 April 2024 to 31 January 2025

[2] Acting from 01 February 2025

[3] Acting from 01 June 2024 to 30 November 2024

[4] Acting from 01 December 2024 to 31 January 2025

[5] Acting from 02 April 2024 to 30 September 2024

[6] Acting from 01 October 2024

Notes to the Annual Financial Statements

Description	2025	2024

2024

Name	Basic salary	Medical aid and pension	Performance Bonus	Exgratia	Leave paid out	Long Services Awards	Other expenses	Total
Mr M Selaledi-Acting Chief Executive Officer[1]	3 142 315	107 463	233 059	145 661	79 585	-	11 323	3 719 406
Mr B Sibiya-Executive Human Resources	1 514 131	326 616	143 000	104 926	77 594	15 000	1 976	2 183 243
Ms T Tenyane-Acting Chief Financial Officer[2]	1 314 135	256 201	192 285	80 119	61 226	-	26 728	1 930 694
Mr A Tjatji - Acting Chief Financial Officer [3]	1 627 692	300 869	258 367	107 653	82 267	-	912	2 377 760
Ms M Williams - Executive Media and Communications	1 920 015	262 253	300 536	125 223	95 694	-	13 313	2 717 034
Ms LM Mametja- Company Secretary	1 509 650	205 056	-	97 913	74 824	-	1 216	1 888 659
Mr T Mothoagae - Chief Information Officer	1 834 774	-	139 901	104 926	80 183	-	19 590	2 179 374
Ms F Tshidada-Acting Executive Risk and Strategy[4]	1 518 811	174 397	126 691	80 119	61 226	10 000	20 728	1 991 972
Ms M Kekana - Chief Audit Executive	1 738 700	452 858	300 536	125 223	95 695	-	456	2 713 468
Ms V Sewlal - Executive Legal Services	1 529 501	350 187	85 024	106 280	74 679	-	19 438	2 165 109
Dr Sopazi-Acting Chief Operations Officer[5]	2 188 592	-	182 229	113 893	44 990	-	5 776	2 535 480
Ms N Ntshingila-Acting Chief Operations Officer[6]	2 366 089	305 057	233 059	145 662	111 313	-	152	3 161 332
	22 204 405	**2 740 957**	**2 194 687**	**1 337 598**	**939 276**	**25 000**	**121 608**	**29 563 531**

[1]Acting from 01 April 2022

[2]Acting from 01 June 2023 to 31 November 2023

[3] Acting from 01 December 2023

[4] Acting from 01 April to 31 December 2023

[5]Acting from 13 October to 31 March 2024

[6]Acting from 01 April to 12 October 2023

Description	2025	2024

Board and committee members

2025

Name	Members' fee	Allowances	Expenses	Total
Ms N Ekeke (Chairperson)	692 487	18 000	-	710 487
Mr SL Mtwa	344 444	18 000	1 380	363 824
Adv JC Weapond	241 037	18 000	565	259 601
Ms NS Molefe	498 285	18 000	-	516 285
Mr L Maminza	307 269	18 000	587	325 856
Mr T Mopeli	246 822	18 000	8 912	273 734
Ms S Makhanya	273 495	18 000	346	291 842
Ms X Njokweni-Mlotywa	232 424	18 000	905	251 329
Ms N Pietersen	255 120	18 000	-	273 120
Mr T Mongalo	229 867	18 000	-	247 867
	3 321 250	**180 000**	**12 695**	**3 513 945**

2024

Name	Members' fees	Allowances	Expenses	Total
Mr BJ Nobunga (Chairperson)[1]	591 949	12 539	7 030	611 518
Ms N Ekeke (Chairperson)[2]	367 845	18 000	694	386 539
Ms NS Molefe[3]	84 433	4 500	-	88 933
Mr L Maminza[3]	69 741	4 500	-	74 241
Adv FJ Van Der Westhuizen[1]	183 896	12 539	3 700	200 135
Mr SL Mtwa[2]	324 861	18 000	2 096	344 957
Adv JC Weapond[2]	258 574	18 000	1 617	278 191
Ms DP Mathibedi[1]	196 668	12 539	2 487	211 694
Mr CJ De Vos[1]	341 515	12 539	22 057	376 111
Ms Y Pamla[1]	267 215	12 539	6 314	286 068
Mr T Mopeli[3]	62 295	4 500	2 814	69 609
Ms N Pietersen[3]	88 192	4 500	-	92 692
Prof T Mongalo[3]	63 052	4 500	-	67 552
Ms S Makhanya[3]	61 758	4 500	-	66 258
Ms X Njokweni-Mlotywa[3]	31 833	4 500	-	36 333
Ms M Somaru[4]	-	-	-	-
	2 993 827	**148 195**	**48 809**	**3 190 831**

[1]Contract expired on 11 December 2023.

[2]Re-appointed on 12 December 2023.

[3]Appointed on 12 December 2023.

[4]Delegate from the National Department of Transport. She is not remunerated.

Description	2025	2024

Audit and Risk Committee

2025

Name	Members' fees	Total
Ms MM Phiri	309 098	309 098
Mr G Van Wyk	212 154	212 154
Mr S Gounden	212 154	212 154
	733 406	**733 406**

2024

Name	Members' fees	Allowances	Total
Mr G Van Wyk (Independent member)	305 706	7 360	313 066
Mr S Gounden (Independent member)	248 262	297	248 559
Ms MM Phiri (Independent Member)	403 760	-	403 760
	957 728	**7 657**	**965 385**

[1]Contract expired on 11 December 2023

[2] Re-appointed on 12 December 2023

[3]Appointed 12 December 2023

[4]Delegate from the National Department of Transport. She was not remunerated

Information Communication Technology Committee

2025

Name	Members' fees	Total
Dr D Jairam-Owthar	130 161	130 161
Ms AMM Badimo	70 363	70 363
Ms U Exner	84 841	84 841
	285 365	**285 365**

2024

Name	Members' fees	Total
Dr D Jairam-Owthar (Independent member)	147 583	147 583
Ms AMM Badimo (Independent member)	211 694	211 694
	359 277	**359 277**

Description	2025	2024

21. Risk management

Financial risk management

The RSR manages its net assets to ensure that it will be able to continue as a going concern, while meeting its overall objectives. Funding is obtained primarily from grants and the administration of permit fees. The strategy is consistent with that applied in prior years.

From its use of financial instruments, the RSR has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the RSR's exposure to each of the above risks. Further quantitative disclosures are included throughout these financial statements. The Board has the overall responsibility for the establishment and oversight of the RSR's risk management framework. The Board has established the Audit and Risk Committee which is responsible for the oversight on the development and monitoring the RSR's risk management policies.

RSR's risk management policies are established to identify and analyses the risks faced by the RSR to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the RSR's activities. RSR through its training and management standards and procedures aims to develop a disciplined and effective control environment in which all employees understand their roles and obligations. The Audit and Risk Committee oversees how management monitors compliance with RSR's risk policies and procedures, and review the adequacy of the risk management framework in relation to the risk faced by the RSR. The Audit and Risk Committee is assisted in its oversight role by the Internal Audit. The internal audit undertakes both regular and ad hoc financial reviews of controls in place to mitigate the risk which are reported to the Audit and Risk Committee.

Debtors are assessed at year end for recoverability and the necessary provision for write-off will be raised if deemed material.

The entity's Annual Financial Statements consist mainly of cash and cash equivalents, receivable and payables. Bank deposits and balances, receivables and payables approximate their fair values due to the short term nature of these instruments. The fair values together with the carrying amounts have been determined by using available market information and are presented in the statement of financial position.

Liquidity risk

Maturity groupings	Not later than one month	Later than one month and no later than three months	Later than three month and no later than one year	Later than one year and no later than five years	Total
Trade payables	5 655 252	90 269	-	-	5 745 521
Accrued leave pay	-	6 526 211	-	-	6 526 211
Other payables and accruals	8 856 119	-	-	1 352	8 857 471
Operating lease payables	-	-	-	10 579 456	10 579 456
13th cheque accrual	-	-	182 765	-	182 765
	14 511 371	**6 616 480**	**182 765**	**10 580 808**	**31 891 424**

Description	2025	2024

Credit risk

The risk that a counter party will not meet its obligations under financial instruments, leading to a financial loss. The RSR is exposed to credit risk from its operating activities, primarily for receivables. The RSR's maximum exposure to credit risk as at 31 March 2025 was R1 473 927 (2024: R1 548 161).

Potential concentration of credit risk consist mainly of cash and cash equivalents and receivables. Financial institutions with an acceptable independent rating are accepted. The carrying amount of the receivables are recorded at net of impairment allowances which represents the RSR's maximum exposure to credit risk.

At 31 March 2025, the RSR did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Market risk

Market risk is the risk that changes in market prices such as interest rates, will affect the RSR's income or the value of its holdings of financial instruments. The objectives of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. The RSR is then exposed to one primary type of market risk namely, interest risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. The RSR's exposure to the risk of changes in market rates is limited to cash and cash equivalents that have floating interest rates which may fluctuate during a financial year. The sensitivity of the finance income to these changes are deemed negligible.

Cash and cash equivalent

The RSR only deposits cash with major banks with high quality credit standing. RSR, therefore, does not consider to be any significant exposure to credit risk.

The RSR utilised ABSA bank, for daily transactions which has a Ba1 rating as well as the reserve bank for investment purposes.

The entity reviews its foreign currency exposure, including commitments on an ongoing basis. The entity expects its foreign exchange contracts to hedge foreign exchange exposure.

Financial assets and Liabilities

RSR's principle financial assets are accounts receivables and cash and cash equivalents. At 31 March 2025, the carrying amounts of cash, accounts receivables and accounts payables at amortised cost approximate their fair values, due to the short term maturities of these assets and liabilities. The available cash balances at year - end and collection rate after year - end to meet future obligations were assessed and no material risks has been identified. The net fair value of the assets and liabilities of the RSR are stated below:

The collection rates after year-end and available cash balance at year-end to meet further obligations were assessed and no material risk has been identified.

Description	2025	2024
Assets		
Receivables from exchange transactions	1 473 927	1 548 161
Cash and cash equivalents	56 190 067	75 770 690
	57 663 994	**77 318 851**
Liabilities		
Payables from exchange transactions	31 891 424	31 358 398

No financial instrument is carried at an amount in excess of its fair value.

22. Going concern

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The management has assessed the RSR's ability to continue as a going concern for the foreseeable future and has sufficient resources as well as the financial support from the Executive Authority, the Department. The were no material uncertainties identified that cast doubt on the going concern of the RSR.

23. Events after reporting date

There were no events identified after reporting date that needed disclosure.

24. Irregular expenditure

Add: Irregular Expenditure current	18 138 711	16 682 137

25. Consulting and professional fees

Internal Audit	1 667 162	2 085 827
Business Consultancy	3 430 688	3 509 794
Risk Management	619 287	243 490
Board Support	279 900	229 450
ICT Support and Improvement	3 989 354	5 050 962
Security system	812 087	750 854
HR Training and Development	4 412 760	4 284 159
Finance and support	72 352	151 840
Legal Fees	7 943 779	5 002 527
	23 227 369	**21 308 903**

Notes

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