

Thursday, 29 May 2025]

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PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
TABLINGS AND
COMMITTEE REPORTS**

THURSDAY, 29 MAY 2025

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TABLINGS

National Assembly and National Council of Provinces

1. The Speaker and the Chairperson

- (a) Consolidated General Report of the Auditor-General on the Local Government Audit Outcomes for 2023-24 [RP 202-2025].
- (b) Submission of the Financial and Fiscal Commission on the Division of Revenue Bill for 2026/27, tabled in terms of section 9(1) of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), as amended.

2. The Minister of Finance

- (a) Draft Joint Standard of 2025 on the criteria for the exemption of an external central counterparty and external trade repository, made in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) and section 6(3)(m)(iii)(bb) of the Financial Markets Act 2012 (Act No. 19 of 2012).

3. The Minister of Cooperative Governance and Traditional Affairs

- (a) Revised Strategic Plan of the Department of Traditional Affairs for 2025 – 2030.

National Assembly

1. The Speaker

- (a) Revised Report and Financial Statements of the Electoral Commission on the Represented Political Parties Funding for 2023-24, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2023-24, submitted in terms of section 22 of the Political Party Funding Act, 2018 (Act No. 6 of 2018).

National Council of Provinces

1. The Chairperson

- (a) A petition requesting for assistance of the National Council of Provinces in relation to the alleged systematic disregard of mining regulatory framework in Magog Village, Umzumbe by the SA-Lithium mining company, has been received from Mr Michael Kholiswa Sithole (Petitioner).

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

COMMITTEE REPORTS

National Assembly and National Council of Provinces

1. JOINT STANDING COMMITTEE ON DEFENCE REPORT ON THE DEPLOYMENT OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE IN SUPPORT OF INTERNATIONAL OBLIGATIONS, DATED 29 MAY 2025

1. INTRODUCTION

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

On 9 May 2025, the Joint Standing Committee on Defence (JSCD) held an engagement with the SANDF on three international deployments in fulfilment of an international obligation.

2. DEPLOYMENTS CONSIDERED

During the engagement of 9 May 2025, the JSCD considered the following international deployments:

a. Operation Thiba

The JSCD already considered the deployment of the SANDF as part of the Southern African Development Community (SADC) in the Democratic Republic of the Congo (DRC) on 21 February 2025. Following the decision by SADC to withdraw the Force, the JSCD requested an update on the withdrawal process. The Committee was informed that a quick withdrawal of all forces via the Goma Airport could not take place and that withdrawal by road through Rwanda to Tanzania has been facilitated. Reconnaissance and assessment of the route has been completed to ensure its viability for extraction. The first

convoy of trucks departed Goma on 28 April 2025, but the withdrawal dates of personnel were yet to be confirmed.

b. Operation Mistral

The deployment of the SANDF under the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) is separate from the SADC mission as it falls under Operation Mistral. The SANDF has deployed as part of MONUSCO in its various forms since 1999 and the latest deployment is set to extend to 31 January 2026. The continuation of MONUSCO is not affected by the withdrawal of the SADC mission to the eastern DRC (Operation Thiba). The current composition of the SANDF contingent includes 974 personnel, including a Quick Reaction Force and a Tactical Intelligence Unit. A further 137 forms part of the Composite Helicopter Unit, but this has since been withdrawn by the UN. All deployed forces receive Mission Ready Training for the specific area prior to deployment.

c. Operation Copper

Operation Copper refers to the SANDF deployment in support of the SADC Maritime Security Strategy. The latest deployment aims to counter the threat of piracy and other related illegal maritime activities from 01 April 2025 until 31 March 2026. The SANDF forces to be deployed consist of up to Two Hundred (200) personnel with a total estimated cost of R61.2 million.

3. RECOMMENDATIONS

In compliance with Joint Rule 156(1) and after having considered the details of the three SANDF deployments, the Committee notes the ongoing deployments under Operation Copper and Operation Mistral as well as the withdrawal of Operation Thiba. In addition, the Committee makes the following recommendations and observations to the Minister of Defence, Chief of the SANDF and the President as Commander-in-Chief of the SANDF:

- The Committee recommends that, once Operation Thiba has been concluded and all SANDF personnel and equipment are returned to South Africa, a full Exit Report be developed on the mission. This report must be shared with the JSCD for thorough oversight to ensure lessons learnt are implemented.
- The Ministry and SANDF must ensure that the remaining troops as part of MONUSCO are effectively equipped and that contingency plans are in place should the security situation change in future. Specific attention should be paid to the state of air support available to deployed forces. The Minister of Defence is required to submit a written report to the JSCD on the status of support of SANDF members that form part of MONUSCO.
- The Committee expresses its continued and full support for the SANDF and thank the soldiers deployed for their dedication to regional and international peace efforts.

Report to be noted.

National Assembly

1. Report of the Portfolio Committee on Agriculture on the nomination of suitable candidates to serve as members of the Board of Directors of the Land and Agricultural Development Bank of South Africa, dated 27 May 2025.

The Portfolio Committee on Agriculture, having considered the request by the Minister of Finance for relevant Parliamentary Committees to nominate suitable candidates to serve as members of the Board of Directors (the Board) of the Land and Agricultural Development Bank of South Africa (Land Bank), referred to it on 09 May 2025 (see referral document, letter from the Minister of Finance dated 06 May 2025), reports as follows:

1. The process for nomination of candidates

The process for nomination of candidates to the Board of the Land Bank by the Committee entailed the formal tabling of the referral to the Committee, which must include the accompanying correspondence from the Minister of Finance detailing the nature and number of vacancies that needs to be filled and what is expected from the Committee. The correspondence from the Minister of Finance that was sent with the referral to the Committee was dated 06 May 2025 and was referred to the Committee by the Speaker of the National Assembly on Friday, 09 May 2025.

The referral was tabled in the Committee on Tuesday, 13 May 2025, as the Committee formally meets on Tuesdays. In considering the referral, the Members of the Committee were requested to submit curricula vitae (CVs) of suitable candidates that meet the requirements as stipulated in the correspondence from the Minister of Finance and not disqualified in terms of *Section 10 of the Land and Agricultural Development Bank Act, 2002 (Act No. 15 of 2002)* including other required documents as outlined in the correspondence from the Minister of Finance, for consideration by the Committee.

2. Committee decision and recommendations

On Tuesday, 27 May 2025, the Committee formally considered the submitted CVs of nominated candidates to ensure that they meet the requirements as stipulated in the Minister's correspondence and not disqualified in terms of *Section 10 of the Land and Agricultural Development Bank Act, (Act No.15 of 2002)*.

In accordance with *Section 4(2) of the Land and Agricultural Development Bank Act, (Act No.15 of 2002)*, the Committee recommends to the Minister of Finance to consider the following suitable candidates, whose CVs and other required documents are attached, for appointment to the Board of the Land Bank:

1. Adv Rebaone Gaoraelwe
2. Dr Gumani Tshimomola
3. Adv Shantha Balakrishna (Ms)
4. Mr Aron Kole
5. Mr Nkululeko Swana
6. Ms Nondumiso Gumede
7. Mr Tebogo Mekgoe
8. Dr Benjamin Manasoe
9. Mr Sydney Mighty Mabule
10. Mr Thandokwakhe Goodman Sibiyi

Report to be noted.

2. REPORT OF THE OVERSIGHT VISIT TO DENEL, ARMSCOR, THE DEPARTMENT OF MILITARY VETERANS (DMV), 1 MILITARY HOSPITAL, THE DEFENCE COLLEGE AND THABA TSHWANE MILITARY ACCOMMODATION IN PRETORIA, GAUTENG PROVINCE, BY THE JOINT STANDING COMMITTEE ON DEFENCE AND THE PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS, 24 – 28 MARCH 2025, DATED 29 MAY 2025

1. Introduction

The Joint Standing Committee on Defence (JSCD) and the Portfolio Committee on Defence and Military Veterans (PCDMV) conducted a joint oversight visit to Denel Landward Systems, Denel Pretoria Metal Processing (PMP), the Department of Military Veterans (DMV), 1 Military Hospital, selected Thaba Tshwane Military Accommodation units and the Defence College from 24 to 28 March 2025, as part of its oversight programmes. This formed part of the Committees' Parliamentary Oversight programme over the State-Owned Enterprises supporting the South African National Defence Force (SANDF), the Department of Defence (DOD and the DMV.

1.1 Purpose of the oversight visit

The PCDMV has focused extensively on concerns regarding the DMV and the poor level of service delivery to veterans. As such, the Committee aimed to engage with the DMV at its headquarters and assess its ability to serve veterans visiting the facility and inquiring about benefits. Similarly, the PCDMV aimed to follow up on refurbishment projects at 1 Military Hospital, which were linked to the oversight programme and Legacy Report of the 6th Parliament. The JSCD of the 6th Parliament also identified the need to follow up on service delivery to the SANDF by Denel and Armscor. Accordingly, the JSCD reviewed the ability of these entities to support the SANDF. The PCDMV and JSCD conducted oversight at selected accommodations facilities in the Thaba Tshwane area to see the conditions the SANDF soldiers live under. The latter is aligned to further inquiry on morale in the SANDF, as per the mandate of the JSCD.

1.2 Committee Members and support staff

The Delegation comprised of the following people:

Members of the JSCD and PCDMV

ANC (National Assembly)

Mr MD Legoete (Chairperson: Portfolio Committee on Defence)

Mr. M Gigaba (co-Chairperson: Joint Standing Committee on Defence)

Ms. T Sokanyile

Mr. W Plaatjies

Mr. M Hala

Ms F Muthambi

DA

Mr C Hattingh

Mr M Shelembe

MK

Mr. M Ntshingila

Ms M Rweqana

EFF

Mr C Niehaus

National Council of Provinces

ANC

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

Mr P Noe

DA

Mr N Gotsell

EFF

Mr V Gericke

Support Staff:

Ms Nandipha Maxhegwana - Committee Secretary

Dr Wilhelm Janse van Rensburg - Content Advisor

Mr Oliver Ndou - Committee Assistant

Armcor and PMP representatives

Mr Mpho Lebogo - Pretoria Metal Processing: General Manager

Mr Sunil Surgu - Armcor Hoefyster Project Manager

Mr Petros Mogabane - Denel Integrated Solutions System (ISS) Head

Adv T Zwelibanzi - Denel Legal Services

Mr Siphon Khoza - Denel Group Executive

Mr J Tootla - Denel Group Executive

Adv SP Mbada	-	Armcor Chief Executive Officer (CEO)
Mr JG Grobler	-	Armcor CFO
Dr LA Mahapa	-	Armcor Board Chairperson
Ms MM Ndlovu	-	Armcor Board Deputy Chairperson
Ms PN Mashinini	-	Non-Executive Member
Ms ZO Cleophas	-	Non-Executive Member
Ms M Booï	-	Non-Executive Member
Mr R Vokwana	-	Non-Executive Member

Department of Defence (DOD)

Mr T Motumi	-	Minister's Special Advisor
Ms T Mohlala Office	-	Parliamentary Liaison Office (PLO) in the Minister's Office
Mr R Marimi	-	PLO in Secretary for Defence's Office
Mr J Mabunda	-	PLO in Chief SANDF's Office

Department of Military Veterans (DMV)

Ms N Mafu	-	Acting Director General
Mr Ndlovu	-	Chief Financial Officer
Mr Matsafu	-	Chief Director: Beneficiary Support Services
Mr Siyengo	-	Chief Director: Research and Policy
Ms Morolo	-	Chief Director: Health Care and Wellness

1 Military Hospital

Maj Gen TE Mulaudzi	-	Deputy Chief Logistics
Brig Gen DI Ramaswe	-	General Officer Commanding
Brig Gen JL Mogotsi Support Base	-	SA Army General Officer Commanding Army Support Base
Lt Col VR Mogashoa	-	SAMHS Clinical Services
Lt Col SL Dlangamandla	-	SAMHS Clinical Services

Defence and War College

Brig Gen WH Kruger	-	Commandant SA National Defence College
Maj Gen SG Hlungwa	-	HR Division
Brig Gen TD Ors	-	Defence Works Formation
Brig Gen PV Mchana	-	Logistics Division
Brig Gen N Dlamini	-	HR Division
Col DM Khumalo	-	Logistics Division

2. Visit to the Denel Landward Systems

2.1 Briefings on Denel

The delegation was welcomed by the Group Executive, Mr Monaheng. Presentations were led by Mr W Hlakoane and Mr T Zwane. The committee was briefed on Denel's strategic objectives and its transition from the Ministry of Planning, Monitoring and Evaluation to the Ministry of Defence and Military Veterans.

The presentation highlighted Denel's challenges, particularly financial constraints, operational setbacks, and project delays. The committee was informed that Denel's order pipeline had recovered to previous levels, with pending contracts valued at R26 billion. However, concerns regarding Denel's liquidity, staff shortages, and banking constraints were raised, including the impact thereof on potential pending contracts.

2.2 Presentation on Project Hoefyster

The project aimed to manufacture 245 Badger Infantry Fighting Vehicles of various variants for the SANDF. Initially approved in 2007, completion was scheduled for 2012 but was extended to 2018. Due to delays and mismanagement, phase one (the Developmental Phase) remains incomplete despite more than R7 billion having been paid. Litigation costs for the project have exceeded R400 million. The project is currently stalled on the finalisation of phase 1 and the Armaments Acquisitions Council needs to make final decisions on the project.

2.3 Observations and engagements

- The Committees observed that there are no concrete plans in place to address the financial mismanagement that has occurred related to Project Hoefyster.
- The Committees observed a lack of communication between Denel and Armscor and limited plans to improve this shortcoming.
- The Committees expressed concern that Denel faces over R400 million in litigation related to Project Hoefyster.
- The Committees raised concerns regarding Denel's future operations, particularly as most banks have withdrawn bank guarantees.
- The Committees questioned the integrity of the financial statements presented, given that Denel has not submitted annual reports for the past three financial years. The Committees noted observations that the sign-off on annual reports are ready and awaiting the next Annual General Meeting of Denel.
- The Committees observed that Denel is facing challenges in fulfilling and delivering orders.

- The Committees noted that Denel currently has 1 600 employees, whereas the full staff complement should be 5 000, indicating a significant understaffing issue.
- The Committees observed that Denel is operating at a loss due to operational costs exceeding revenue.
- The Committees observed that the property occupied by Denel Landward Systems is not well maintained.
- The Committees noted some success in the export of certain types of vehicles and products by Denel but questioned the capacity of Denel to continue in executing such functions.
- The Committees expressed disappointment with Project Hoefyster, as R7 billion has been spent on the project with no tangible outcomes. The Committee is of the view that the Department of Defence and Military Veterans must exercise its shareholder oversight responsibility to ensure alignment between Denel and Armscor so that they are able timeously to meet the demands of the SANDF.

2.4 Facility Walkabout

The Committees were taken through the missiles that Denel manufactures, namely the A-Darter, Mokopa, Umkhonto and Ingwe ranges that are used by the SA Army, SA Air Force and SA Navy. The Committees was then taken through each variant of the different Badger vehicles that are produced by Denel, as well as other vehicles such as the RG32, RG31, RG21, Caspers, and the RG12. There was one Demonstration vehicle for project Mohale, which Denel is currently busy with, and one demonstration vehicle for project Topstar. The Committee also went on a walkabout in the vehicle assembly plant, followed by a walkabout at a facility where various weapons were demonstrated. A thorough presentation of all small and medium infantry weapons was provided. The Committee concluded by viewing six Infantry Fighting Vehicles of different variants produced under Project Hoefyster.

3. Visit to Denel Pretoria Metal Processing (PMP)

3.1. Presentation on PMP

The Committees were welcomed by the Interim General Manager, Mr Lebogo. PMP manufactures small and medium ammunition for the SANDF, the SAPS and the private industry, but it faces severe funding shortages and significantly outdated equipment, leading to operational inefficiencies. The order backlog has worsened as a result, with various local and export orders being behind schedule. Crucially, the Committees received a briefing on Denel's plans to 'ringfence' PMP to ensure that funding generated through its sales does not get transferred to the Group but remained within the PMP. The aim thereof is to ensure fund availability for the modernisation and ultimate stabilisation of PMP, which has significant capacity to become self-sufficient again. The Committees were also informed of a planned funding injection for PMP as part of its turnaround strategy developed by the PMP Task Team.

3.2. Observations and Engagements

- The Committees expressed concern about the ageing PMP workforce and the absence of succession plans.
- The Committees raised concerns about delays in order deliveries as funds are unavailable to complete it.
- The Committees noted that PMP will be ringfenced within Denel but expressed concern that a relevant project manager has not been appointed.
- The Committees noted PMP's limited involvement in the international market and encouraged greater visibility in global and local markets with improved production capacity.
- The Committees expressed concern about the capacity of PMP's management to effectively run the company but wished the new Acting CEO for PMP well in his task.
- The Committees expressed disappointment regarding gender representation at top management levels.
- The Committees noted that PMP, as with the broader Denel Group, is sustaining itself through business rescue funds.
- The Committees observed that the Shareholder Governance Framework is not being utilised, resulting in defence portfolio entities operating in isolation.
- The Committees expressed disappointment over the lack of consequence management regarding the advance payment from some recent orders, as the funds were used for other operations in Denel instead of their intended purpose within PMP.
- The Committees noted with concern the backlog of orders dating back to 2021.
- The Committees observed that PMP has not performed well for the past ten years.

3.3 PMP Facility Walkabout

The Committees conducted a walkabout at various facilities of PMP, where they were shown different production areas that manufacture various calibres of ammunition. During the visit, they observed several challenges, including old and non-operational machinery, deteriorating infrastructure with leaking roofs, and a complete halt in production due to a lack of raw materials. Additionally, the Committee observed that most factories were not in operation during the day. The committees were told that factories were not operational as stocktaking was underway, but the Committees were under the impression that the factories has not been in operation for a longer period.

4. Visit to the Department of Military Veterans

4.1 Facility Walkabout

The Committees conducted a walkabout through the offices of the DMV at its headquarters in Hatfield, Pretoria. It engaged with a few employees responsible for various operations and the administration of the Department. The Committees noted poor working conditions, inadequate document storage, and understaffed call centre facilities, raising concerns about inefficiency and non-compliance with health and safety regulations.

4.2 Observations and Engagements

- The Committees noted with grave concern the fact that the top management of the DMV are still acting, with significant delays in the process towards permanent appointments.
- The Committees expressed concern about the state and condition of the DMV offices, describing it as a fire hazard and noting non-compliance with the Occupational Health and Safety requirements.
- The Committees raised concerns about the lack of a proper filing system for applications and document management, citing non-compliance with the National Archives and Records Service of South Africa Act (Act No. 43 of 1996). The Committee noted the urgent need for a digitised filing system for the DMV.
- The Committees expressed concern about the size, condition, and capacity of the DMV call centre.
- The Committees observed that all applications are processed manually, making it vulnerable and easy to lose applicant information and that this may open the process to irregularities.
- The Committees questioned the integrity of the database, given that applications are processed manually with no proper filing system.
- The Committees were informed that the call centre operates using a mobile phone system, which can only handle three calls at a time. Furthermore, call centre employees must physically visit different benefit offices to retrieve information when assisting a military veteran, leaving the phone unattended during their absence.
- The Committees were informed that the call centre processes approximately 80 to 100 calls daily. The Committees observed the extremely limited capacity of the call centre.
- The Committees noted that the education benefit provides a maximum of R20 000 per child per annum from Grade R to Grade 12 and R80 000 per annum per student for tertiary education. The Committee further observed that the means test is not currently applied to the education benefit.
- The Committees noted that, in contrast to recent years, the education benefit will no longer cover fees for private schools but will only apply to public schools.
- The Committees observed that since the education benefit has not accepted new applicants for the past two financial years (2023/24 and 2024/25), the 200 applications received during that period will be considered in the next financial year.
- The Committees expressed concern about the overall functioning of the DMV and its application processing system.

4.3 Briefings and Employee Grievances

During its concluding engagements with the management of the DMV, the Committees were briefed by aggrieved employees and they were allowed an opportunity to raise concerns. The concerns raised varied from suspensions, unfair dismissals, audit manipulation, and a lack of accountability in provincial offices. The Committee encouraged employees and/or the various representatives to directly write to the Committee with these grievances. The committees expressed their concern that whistleblowers are placed on step-aside or victimised when raising grievances and the committees therefore implored the DMV management not to victimise whistleblowers when raising concerns.

5. Visit to Armscor Gerotek and Technopark facilities

5.1 Facility Walkabout

The Committees were welcomed by the Chairperson of the Armscor Board of Directors. A short overview of Armscor and its facilities was provided to Members. They then undertook a tour of the Gerotek facilities, including the Environmental Laboratories, skid pad, and high-speed track, which are utilised by Denel and the Department of Defence (DOD) for testing new military vehicles.

The Committees also visited Technopark, which houses the Protechnik Laboratories, Ergotech, and Hazmat facilities of Armscor. Protechnik conducts project work in the field of chemical and biological defence on behalf of the SANDF, while Ergotech is a leading ergonomics consultancy providing comprehensive services in ergonomics, occupational health, and safety both locally and internationally. Hazmat manufactures and markets military and industrial respirators and filtering devices.

5.2 Observations and Engagements

- The Committees expressed concern regarding human settlements encroachment at the Armscor Gerotek facility and noted that Armscor is engaging with the municipality and other role-players to resolve this issue.
- The Committees noted that Armscor also utilises the facility for commercial purposes, providing services to private companies as a means of additional income.
- Armscor informed the Committees that it is engaging with SANRAL to construct an off-ramp from the N4 directly to the facility to improve access for large transport vehicles carrying military equipment.
- The Committees were informed that the average age of Armscor staff is between 40 and 45 years.
- The Committees were informed that Armscor's corporate plan has been finalised and is ready for presentation to the Committees once requested.
- The Committees commended Armscor's laboratories in Technopark for employing a significant number of young South African women professionals.

- It was suggested that Armscor provide financial support for young professionals to further their studies, thereby enhancing the company's capacity.
- The Committees noted a misalignment between Armscor's Research and Development (R&D) and the DOD, highlighting the need for Armscor to proactively share the latest technology and scientific advancements with the DOD rather than waiting for formal requests.
- The Committees were greatly impressed with the number of young, black and female researchers at Armscor research facilities involved in cutting-edge research for various products of vital importance to the SANDF and the broader defence industry. The Committees were assured that these young researchers are pursuing post-graduate research at Masters and PHD levels. The Committees, however, observed that Armscor lacks a concrete retention plan to keep young professionals within the company and urged that such a plan be immediately developed.
- The Committees expressed optimism and confidence in Armscor's capabilities based on the facilities visited.
- While acknowledging Armscor's commercial engagements, the Committees recommended maintaining a balanced approach between servicing the SANDF and commercialisation.

6. 1 Military Hospital

6.1 Hospital overview

The Committees were welcomed by the Deputy Chief of Logistics, Major General T.E. Mulaudzi. The presentation was led by the General Officer Commanding, Brigadier General (Dr) D.I. Ramaswe of 1 Military Hospital. He provided background information, stating that 1 Military Hospital is a Level 4 tertiary hospital currently operating at only 40% of its capacity.

Over the past 15 to 20 years, the hospital has deteriorated due to the incomplete Refurbishment and Maintenance Project (RAMP), which was supposed to comprise of the first floor housing critical medical facilities, including the main theatres, Intensive Care Unit (ICU), Isolation Unit, High Care Unit, Casualty, Laboratory, Radiology (X-rays, CT scan, and MRI), as well as the second floor, which previously accommodated the pharmacy.

Due to infrastructure challenges, wards have been merged, reducing the overall bed capacity. There has been an increase in outsourcing for radiology, laboratory services, and physiotherapy for inpatients. The hospital is also experiencing a loss of skilled personnel due to resource constraints, and the outsourcing of services has negatively impacted training and skills retention, while drastically curtailing the budget for the hospital. In the current financial year, the hospital has already spent R38.846 million on outsourced medical services. It is estimated that over One Billion Rand (R1bn) has already been expended on the delayed RAMP project.

6.2 Hospital Walkabout

The Committees observed that the second floor of 1 Military Hospital is non-operational and currently used as a storage area for equipment. Construction on this floor has been ongoing for the

past 15 years, and it previously housed the pharmacy. The first floor is an abandoned, empty hall with exposed wiring throughout, in a state of disrepair and covered in dirt.

In contrast, the seventh floor accommodates the Intensive Care Unit (ICU). This floor was reconstructed in 2020 during the COVID-19 pandemic within just four months by the Defence Works Formation.

6.3 Observations and Engagement

- The Committees expressed shock and disappointment at the state of 1 Military Hospital, particularly the first and second floors affected by the delayed RAMP.
- Due to the absence of core hospital functions, the Committees observed that the facility has effectively been reduced to a clinic.
- The Committees requested a comprehensive report from the South African Military Health Service (SAMHS) detailing all aspects of the RAMP Project, from the initial tender process to the point when the first floor became non-functional, as well as the impact thereof on patients.
- Concerns were raised about the outsourcing of SAMHS functions to private hospitals, resulting in significant outsourcing costs.
- The Committees expressed concern over the loss of specialists due to the unavailability of essential equipment and facilities, which prevents them from practising their professions.
- Despite these challenges, the Committees commended the staff of 1 Military Hospital for their dedication and efforts to maintain operations under difficult conditions.
- SAMHS appealed to the Committees for urgent provision of essential tools of trade needed by the hospital.
- The Committees were informed that the hospital provides services to approximately 800 patients daily.
- It was also noted that the makeshift pharmacy receives annual deviations from the Pharmacy Council due to its inadequate size relative to the number of patients it serves.
- The Committees were further informed that of the soldiers who recently returned from the Democratic Republic of the Congo (DRC), 19 were admitted to 1 Military Hospital. All have since been discharged, except for one soldier who remains hospitalised due to serious injuries.

7. Thaba Tshwane Accommodation facilities

The Committees requested to visit two specific housing sites in the larger Thaba Tshwane area, namely the ‘Brown Flats’ and the Albertina Sisulu Mess. The General Officer Commanding, Brigadier General J.L. Mogotsi, led the presentation, stating that the Brown Flats and the Albertina Sisulu Mess are managed by the Logistics Division. The Brown Flats were originally built as married quarters, while the Albertina Sisulu Mess was constructed to accommodate non-commissioned officers.

7.1 Brown Flats

The Brown Flats consist of three blocks: Christian Muller, Henning Pretorius, and Nicolas Smith, with each block comprising 88 units. Currently, 168 families of various rank groups reside in these flats. Due to their deteriorating condition, the buildings require urgent repairs and maintenance. Consequently, the occupants are in the process of being relocated to newly built flats in the Pretoria CBD. The relocation was expected to be completed by 31 March 2025. The cost of the required maintenance and refurbishment is not yet available.

7.2 Albertina Sisulu Mess

The Albertina Sisulu Mess consists of a dining hall and 16 sleeping quarters, nine of which require complete renovation while the remaining quarters need maintenance. It has been discovered that the mess is situated on a dolomite-prone site, which poses structural risks. As a result, the South African Army has requested the Logistics Division to assess the site to determine whether rehabilitation is feasible. The Army is awaiting the outcome of this assessment to decide on the appropriate course of action.

7.3 Observations and Engagements

- The Committees observed that both the accommodation facilities are in a severely dilapidated state, with leaking plumbing pipes and broken windows.
- The Committees observed that the kitchen at the Albertina Sisulu Mess is unhygienic and unsuitable for food preparation for soldiers.
- The Committees observed that showers and toilets are not fully functional.
- The Committee expressed concern over the absence of cost projections for the refurbishment of the Brown Flats and the associated relocation expenses.
- Concerns were raised regarding the five-year refurbishment plan for the flats, as it was deemed too lengthy. Additionally, the Committee noted a contradiction between the five-year lease agreement and the projected one-year refurbishment timeline for each block of flats.
- The Committee expressed concern about the overall state of accommodation in the Thaba Tshwane area.

8. The SANDF Defence College

8.1 Facility Walkabout

During a walkabout at the SANDF Defence College, the Committees observed that the institution offers 72 rooms for student accommodation, in addition to housing staff offices and a library, while currently enrolling 34 students. The facility also houses the War College, which operates independently and contains 108 rooms with 100 occupied by students. Additionally, the facility is equipped with a sick bay that provides medical assistance to approximately 30 to 40 students each month, a large generator to ensure backup power during load shedding, and comprehensive Wi-Fi access throughout the premises.

8.2 Defence College Briefing

The South African National Defence College (SANDC) relocated to the Saint George's Hotel in Pretoria in January 2024 from its original location in Thaba Tshwane, Pretoria. The College offers the Strategic Defence Studies Programme (SDSP), an 11-month course to senior military officials. Both the Defence College and the War College report to the General Officer Commanding Training Command.

The SDSP comprises a Master of Philosophy (MPhil) in Defence Studies or an undergraduate qualification in Defence Studies, along with Military Development Modules. The Defence College currently hosts eight international students from countries including India, Brazil, China, Kenya, and Eswatini. Entry requirements for the SDSP include, among other criteria, holding the rank of Brigadier General, Colonel, or an equivalent naval or air force rank and being medically fit.

The SANDC faces several challenges, including an inadequate personnel structure that affects operational efficiency, limited funding for higher education which jeopardises the sustainability of academic programmes, and the absence of a fully functional library that hampers research and learning resources. Additionally, limited maintenance capabilities due to a shortage of personnel and storage constraints at the Saint George's Hotel facility further exacerbate these issues.

8.3 Observations and Engagements

- The Committees observed that the Saint George's facility is generally unsuitable for military purposes. It would require substantial security and structural redesign to function optimally as a military unit. Furthermore, the ongoing maintenance requirements of the SANDC are likely to exceed the current capacity of the Defence Works Formation and would incur significant costs.
- The Committees noted that the SANDC provides strategic advice to the SANDF on peacekeeping missions across Africa. However, it does not participate in the operational planning of such missions.
- While the facility is currently guarded by security personnel, the Committees observed the need for additional security measures, including the installation of security gates and surveillance cameras.
- Concerns were raised regarding expired fire extinguishers found within the facility, which pose a safety risk and indicate gaps in routine maintenance procedures.
- The Committee questioned the rationale behind the purchase of the former hotel to host the SANDC, particularly in terms of its long-term sustainability, suitability, and alignment with military infrastructure standards.
- It was noted that lecturers at the SANDC are primarily sourced from Stellenbosch University, whereas the War College utilises a mix of domestic and international lecturers.
- The SANDC has plans to send students to countries within the Southern African Development Community (SADC) to gain international exposure and experience.
- The Committee noted that the SANDC accommodates five students per year from other government departments as part of its academic programmes.

9. RECOMMENDATIONS

Based on the observations and engagements above, the Committees make the following recommendations as it relates to the various facilities visited.

9.1 Recommendations related to the visit to Denel Landward Systems

- In light of the observed deficiencies in communication between Armscor, Denel, and the South African National Defence Force (SANDF), the Committees recommend that these three entities significantly increase the frequency and quality of their engagements across all joint projects, including but not limited to Project Hoefyster. As the shareholder representative of Armscor and Denel, and the executive authority of the SANDF, the Department of Defence must take responsibility for facilitating these engagements and ensuring consistent alignment between all three entities on current and future projects.
- The Committees note the presentations by Armscor and the Department of Defence on the status and recommendations pertaining to Phase 2 of Project Hoefyster. The Armaments Acquisition Board is strongly advised to take an urgent decision on the progression of Phase 2, incorporating cost implications, timelines, and deliverables. The Minister of Defence will be invited to brief the Committee on the outcomes and implications of this decision once finalised.
- The Committees recommend that the Minister of Defence, in her capacity as the new custodian of Denel, urgently convene the outstanding Annual General Meeting (AGM), in compliance with the relevant legislative requirements. This will enable the publication and submission of Denel's outstanding Annual Financial Statements to Parliament. Furthermore, the Minister must conduct a critical review of Denel's Turnaround Strategy to assess its feasibility and effectiveness in restoring the company to operational and commercial viability. The Minister is also urged to ensure that the Denel Board takes immediate steps to improve gender representation within senior and executive management levels of the entity.

9.2 Recommendations related to the visit to Denel PMP

- The Committees call for the urgent implementation of the PMP turnaround plan, inclusive of the 'ringfencing' of PMP as a separate programme in Denel, the allocation of the required capital and the appointment of the project manager. The Committees request quarterly written updates on the progress against targets of the turnaround plan. The Minister of Defence and the Denel Board is to ensure that PMP remains viable as it reflects a strategic asset in terms of broader South African defence requirements.
- The Committees undertake to have further engagements with the relevant stakeholders on the "shareholder governance framework" to ensure better guidance around defence entities.

9.3 Recommendations related to the visit to the DMV Headquarters

- The Committees recommend the urgent upgrading of the Department of Military Veterans (DMV) Call Centre to improve service delivery to military veterans. This intervention should be prioritised for implementation in the early part of the 2025/26 financial year.
- The Minister of Defence is requested to provide clarity on the expected timeframe for the finalisation and publication of the revised Regulations governing the administration of DMV benefits, including but not limited to the education support benefit.
- The Committees will formally request the Auditor-General of South Africa (AGSA) to conduct a comprehensive audit of the existing DMV beneficiary database and the benefits administered. This audit should be conducted in parallel with the digitisation process to ensure that only verified and eligible individuals are captured on the new digital system.
- The Committees urge the Minister of Defence to expedite the appointment of a permanent Director-General for the DMV, as well as other key senior management positions, to ensure stability and effective administration within the department.

9.4 Recommendations related to the visit to Armscor facilities

- The Committees undertake to engage the Minister of Defence, the Departments of Public Works and Infrastructure, the Department of Agriculture, Land Reform and Rural Development and the Department of Human Settlements on the encroachment of informal settlements on military facilities. In addition, the Committees encourage the Department of Defence and Military Veterans, Armscor, the Department of Human Settlements and the Tshwane Municipality to resolve this matter of encroachment as a matter of urgency.
- The Committees encourage expanding private events at the Gerotek facility as an alternative source of income in the absence of significant defence spending on testing and development.
- The Committees welcome the signing of a Service Level Agreement (SLA) between Armscor and the Department of Defence. The Committees encourage the holding of monthly monitoring meetings and that the dates of such meetings be published in the Armscor Annual Reports henceforth.
- The Committees noted the under-utilisation of the services and research offered by Armscor and encourages other government departments to make use of these services where relevant.

9.5 Recommendations related to the visit to 1 Military Hospital

- The Committees express their deep concern and disappointment regarding the lack of tangible progress in the 1 Military Hospital Refurbishment Programme (RAMP), which

has remained largely stagnant over the past decade. In light of the 2020 forensic report on the matter, the Committees will invite the Directorate for Priority Crime Investigation (Hawks), the Special Investigating Unit (SIU), the Department of Defence (DoD), and the Department of Public Works and Infrastructure (DPWI) to provide a comprehensive briefing on progress made towards consequence management and the overall status of the refurbishment project.

- The Committees will formally request a joint update from the DoD and DPWI on the current implementation plan for the 1 Military Hospital RAMP, including projected funding allocations, timelines, and the anticipated completion dates for each functional section of the facility.
- During the engagement, the Committees requested a detailed written report on the 1 Military Hospital RAMP. The Department undertook to submit this report within seven days, by 3 April 2025. The Committees expect the Department to meet this commitment without delay.
- The Committees recommend that the Minister of Defence and the Chief of the SANDF ensure that appropriate consequence management measures are implemented in relation to the failures and irregularities associated with the 1 Military Hospital RAMP project, in line with the findings of relevant oversight and forensic investigations.

9.6 Recommendations related to the visit to SANDF accommodation facilities

- The Department should provide the Committee with a detailed report (project plan) on the cost and timelines for the refurbishment project at the various “brown block” accommodation facilities in Thaba Tswane. The report must be submitted within 7 days after the adoption of this report.
- The Committees recommend that the Chief of the SANDF, through its various units, officers commanding and facilities managers, ensure the implementation of higher levels of discipline in military areas. For example, the Committees noted underage-drinking when they entered the accommodation area in Thaba Tswane, which should not be the case, especially in a military area.
- It is recommended that the Chief of the SANDF instructs Officers Commanding around the country to increase the frequency of infrastructure inspections and proper record keeping of infrastructure breakages and repair requirements. The aim of this should be to respond more quickly to breakages.

9.7 Recommendations related to the visit to the Defence College

- The Minister of Defence should conduct a comprehensive cost-benefit analysis comparing the continued use of the former St George’s Hotel with alternative accommodation options

for the SANDC and War College and submits the findings to Parliament. The report should reflect specifically on the expected maintenance costs and refurbishments required to turn the Hotel into a functional military base suitable for the purposes of the SANDC and War College. The Report should further reflect on the suitability of the former St George's Hotel to be used as a long-term military facility for hosting the SANDC and War College, taking into account the security, structural, financial, and functional requirements of a military academic institution. Finally, the Report should contain details on the decision-making process leading to the purchase of the former hotel, including all costing. The Report should be submitted to the Committees within 2 months of the adoption of the Oversight Report.

- The Defence College and War College must rectify the poor Wifi at the institutions as of the new financial year as these are key to ensure quality education.
- The Department is requested to submit to Parliament, within seven days of the adoption of this report, a high-level overview of its infrastructure maintenance plan for the St George's facility. This plan should include estimated costs, timelines, and the strategy for addressing capacity limitations.

Report to be considered.

3. REPORT OF THE PORTFOLIO COMMITTEE ON SCIENCE, TECHNOLOGY AND INNOVATION ON ITS OVERSIGHT VISIT TO THE NORTHERN CAPE, DATED 27 MAY 2025

The Portfolio Committee on Science, Technology and Innovation (hereafter referred to as the Committee), having conducted an oversight visit to the Northern Cape from 24 to 28 February 2025, reports as follows:

DELEGATION

Members:

Ms S Shiviti: Chairperson (ANC), Ms T Mchunu (ANC), Ms L Sapo (ANC), Mr V Nkosi (ANC), Ms N Mazzone (DA), Mr T Ramongalo (DA), Mr T Mjadu (MKP), Mr F Matsa (MKP), Dr S Thembekwayo (EFF), and Dr W Boshoff (FFP).

Support staff:

Ms S Isaacs: Committee Secretary, Dr R Osborne-Mullins: Content Advisor, and Mr G Mankay: Committee Assistant.

Department of Science, Technology and Innovation (DSTI):

Ms Gugulethu Zwane - Acting Director-General, Mr Takalani Nemaungani – Chief Director: Astronomy, Mr Hubert Mathebula – Deputy Director: Radio Astronomy and Square Kilometre Array (SKA) Visitor Centre Steering Committee Chair, Ms Audrey Dikgale-Mahlakoana - Deputy Director: Astronomy (Astro-Tourism), and Mr Mere Kgampe – Director: Astronomy Management Authority.

National Research Foundation (NRF):

Dr Fulufhelo Nelwamondo – NRF Chief Executive Officer (CEO), Dr Angus Paterson – NRF Deputy CEO for National Research Infrastructure Platforms, Dr Rosalind Skelton – Managing Director: South African Astronomical Observatory (SAAO), Ms Pontsho Maruping – Managing Director: South African Radio Astronomy Observatory (SARAO), and Mr Kevin Govender – Director of the International Astronomical Union (IAU) Office of Astronomy for Development (OAD).

1. Introduction

The Constitution of the Republic of South Africa, 1996 and the Rules of Parliament mandate the Committee to exercise oversight over the Executive for the purposes of promoting good governance and accountability. In line with this constitutional mandate, the Committee resolved to undertake an oversight visit to the rural and geographically vast province of the Northern Cape where the country's key astronomy infrastructure is located; that is, the optical and infrared telescopes in Sutherland and the radio telescopes in Carnarvon.

South African astronomy is at the forefront of many significant initiatives and discoveries. Projects such as the Southern African Large Telescope (SALT) and the Square Kilometre Array (SKA) radio telescope are huge projects that form part of international consortiums with a strong developmental agenda that promotes the benefits of science and astronomy to humanity. Targeted investments in these high-level astronomy infrastructures are already and will continue to deliver benefits that will grow as these projects develop. The benefits include the development of skilled knowledge workers, increased business opportunities for local communities and the concomitant spin-offs within the industrial sector. These achievements further underpin the value of astronomy and its potential contribution in the drive towards a knowledge-based economy. Under the auspices of the South African Radio Astronomy Observatory (SARAO) and the South African Astronomical Observatory (SAAO), these mega research facilities are located in the National Research Foundation (NRF), which operates under the Department of Science, Technology and Innovation (the Department or DSTI).

2. Purpose of the Oversight Visit

In Cape Town, the Committee had visited the headquarters of both SAAO and SARAO, where they had resolved to visit the national research facilities responsible for optical and radio astronomy. The purpose of the visit was for the Committee to gain first-hand insight into the physical nature of the facilities, the work of scientists, engineers, technologists and artisans at these facilities and to assess the impact on community development and job creation in the areas surrounding these facilities. Hence, the Committee's oversight visit to these facilities comprised actual site visits to view the infrastructure and research operations, included community engagements and short onsite briefings. The briefings outlined the evolution of astronomy in South Africa, provided overviews of the operations of both SAAO and SARAO,

as well as the various instruments/telescopes located on site, detailed the impact of the various human capital development and socio-economic upliftment programmes, and discussed the full range of international cooperation initiatives around astronomy.

3. The National Research Foundation - South African Astronomical Observatory (NRF-SAAO) – Sutherland Observatory

The Sutherland Observatory, home to SAAO's main research telescopes, is located 15 kilometres from Sutherland in the Northern Cape and is designated as the 4th darkest observatory in the world. Here, SAAO hosts and/or operates, some in partnership with international research institutes, 24 research telescopes. The site is ideally placed in longitude between the other large optical observatories of the southern hemisphere (in Chile and Australia), which allows continuous coverage for time-critical observations. South Africa is well placed to take advantage of these natural geographic advantages through sustained investments in astronomy facilities and people spanning multiple decades.

The presentations outlined why South Africa was investing in astronomy and what was being done nationally; what South Africa was doing in astronomy in the “Global South” and what South Africa was doing in astronomy globally.

The first presentation discussed the evolution of astronomy in South Africa, detailing that the key objectives focused on scientific, technological and socio-economic returns; human capital and skills development; Pan-African development; and international partnerships that attracted foreign direct investment and facilitated skills transfer, technology exchange and science diplomacy. As the national science policy evolved, so did the focus in astronomy, resulting in the Multi-wavelength Astronomy (MWA) Strategy and Implementation Plan in 2015. Key achievements under the MWA Strategy are that astronomy, at approximately R1.2 billion per year, constitutes the Department's single biggest investment by discipline, South Africa's global ranking in astronomy increased from 33 to 21, 2 500 bursaries have been awarded, the number of astronomers have increased from 60 to around 300, there have been leading commercial spin-offs, significant continental development in astronomy, and increased international partnerships.

The second presentation discussed how the SAAO, as the national centre for optical and infrared astronomy, facilitates and undertakes groundbreaking research; supports international and local researchers and students with world-class telescope facilities; hosts and operates a wide range of telescopes, especially SALT, the largest optical telescope in the Southern Hemisphere; provides access to cutting-edge telescopes, instruments, and astronomical data; develops technologies and designs and builds cutting-edge scientific instrumentation; undertakes science engagement; and contributes to innovation and skills development. The presentation further outlined how the Astronomy Geographic Advantage Act, No. 21 of 2007 and the Department's Astronomy Management Authority protects the Sutherland Central Astronomy Advantage Area to mitigate the challenges around light and dust pollution. However, a serious challenge to optical astronomy observations remains the continuous deployment of satellites.

In relation to SALT, a 10-metre class optical and near-infrared telescope, South Africa plays a crucial role in cutting-edge astrophysical research and international collaborations. SALT is owned by the SALT Foundation, a private company registered in South Africa. The shareholders of this company include universities, institutions and science funding agencies from Africa, India, Europe and North America. The NRF is the major shareholder with a 33.56% stake. Other shareholders are the University of Wisconsin–Madison, the Nicolaus Copernicus Astronomical Centre of the Polish Academy of Sciences, Dartmouth College, Rutgers University and the Indian Inter-University Centre for Astronomy and Astrophysics in India. Smaller shareholders include the American Museum of Natural History and the United Kingdom SALT Consortium. The size of the shareholding of each partner determines the access to the telescope that they enjoy. The annual budget for SALT is R60 million, with a significant proportion being spent on the development of new equipment and technical support for the telescope, which is almost 20 years old. SALT's scientific advantages are the large light-collecting power for deep-sky observations, flexible queue scheduling enabling rapid responses to transient astronomical events, cutting-edge spectroscopy capabilities, crucial for studying galaxies, exoplanets, and supernovae, and instrument modes that are rare on large telescopes. To give full expression to South Africa's MWA Strategy, SALT (optical) is being used together with the MeerKAT (radio) and MeerLICHT (optical) telescopes to simultaneously study astronomical objects.

Other key South African instruments include the 1.0 metre, 1.9 metre and Lesedi telescopes. Lesedi and SALT can be operated remotely from the Remote Observing Room in Cape Town or from the telescope control rooms at Sutherland. Lesedi can also be operated robotically using the Observatory Control System (OCS) with Mookodi, a low-resolution spectrograph and multi-filter photometric imager designed for rapid follow-up observations of astronomical transient events. Other key international partnerships include the Asteroid Terrestrial-impact Last Alert System (ATLAS), which is one of four 0.5 metre telescopes around the world dedicated to searching for dangerous asteroids. The other is PRIME, which is a collaboration between Osaka University, Tokyo Astro-Biology Centre, National Aeronautics and Space Administration Goddard Space Flight Centre (NASA GSFC), University of Maryland and SAAO. PRIME detects exoplanets in the galactic bulge through gravitational microlensing. As host, South Africa secures 14% of PRIME's observation time, giving local researchers priority access to exoplanet discoveries and high-impact astrophysics data; representing a cost-effective investment in cutting-edge science and technology transfer.

In relation to technological innovation, it was reported that SAAO has embarked on an ambitious project to upgrade its telescopes, instruments, and data analysis capabilities, facilitating their intelligent integration and seamless coordination. In regard to the latter, the SAAO's Intelligent Observatory Project aims to create a unified Artificial Intelligence (AI)-driven telescope network for optimal operations that improves observation efficiency and enhances access for under-represented researchers. This, together with SAAO's Astrophotonics Laboratory and High Precision Machining Centre, makes SAAO the ideal location to host the NRF's planned Technology and Innovation Hub.

The remaining presentations detailed the work of SAAO through the SALT Collateral Benefits Programme, African Astronomical Society (AfAS), and the BRICS Astronomy Programme that all seek to enhance the impact of astronomy on socio-economic development and connect and grow the astronomy community across the region and Africa. The SAAO also hosts the International Astronomical Union's Office of Astronomy for Development (OAD) that focuses on how astronomy and its associated skills and tools can be used to address the Sustainable Development Goals.

3.1. NRF-SAAO Visitors Centres

The Committee had the opportunity to explore the visitors centres in both Sutherland and Cape Town. These Centres serve as gateways to the universe, offering engaging exhibits, interactive experiences, and cultural narratives that connect astronomy with shared heritage. Interactive displays introduce fundamental concepts in astronomy, from the formation of stars and galaxies to the search for exoplanets and the nature of dark matter. Exhibits and animations inspired by traditional Khoi and San stories provide a cultural perspective on the night sky, linking ancient wisdom with modern science. These displays highlight indigenous astronomical knowledge and its significance in understanding celestial phenomena. The Centres further feature hands-on experiences, including optical and radio astronomy demonstrations, a Cosmic Light Spectroscope, and digital simulations of astronomical observations. Visitors can manipulate real data, explore the electromagnetic spectrum, and see how astronomers study the universe. The Sutherland Visitors Centre has been running for many years under the SALT Collateral Benefits Programme and upgrades are planned as part of the new National Astro-tourism Strategy.

3.2. SALT Collateral Benefits Programme and Science Engagement

The Committee received a detailed brief on the SALT Collateral Benefits Programme (SCBP) and visited the Sutherland Community Development Centre to engage with various beneficiaries of this programme. The SCBP focuses on impactful education and community outreach, engaging learners, teachers, university students, and the broader public in science education, career guidance, and indigenous knowledge integration. Through teacher training, learner support, career-based initiatives, and public science events, the SCBP continually expands its reach and influence. SAAO reaches out to thousands of learners every year, with the goal of teaching them more about science in general and astronomy in particular.

The Sutherland Community Development Centre provides digital access, career resources, and social programmes. Collaborations with traditional knowledge holders to enrich educational resources and local economic impact programmes focusing on tourism and astro-tourism projects to generate economic benefits for Sutherland and surrounding communities, are also pursued.

The establishment of SALT has resulted in an exponential increase in the number of visitors to Sutherland annually, which has led to a significant increase in the number of bed and breakfast

establishments. This has provided much-needed economic stimulus to both the town and the region. With the increase in tourism, several direct and indirect jobs have been created. In this regard, the SAAO/SALT has trained and employed Sutherland youths as tour guides and administrative staff and some of the youths are also employed in the hospitality industry in neighbouring towns.

Apart from the Sutherland Community Development Centre, other areas of outreach include the local clinic, schools, where the SCBP has employed a mathematics and science teacher, and the community old age home. In addition, the SCBP, with support from other governments departments, has trained several youths in entrepreneurship and has supported local arts-based businesses and informal craft markets.

The SAAO is the single biggest employer in the town of Sutherland. However, efforts to grow and enhance the impact of current initiatives are hampered by limited funding; the poor condition of access roads to facilitate astro-tourism; the social challenges (teenage pregnancy, substance abuse, low skills levels and unemployment) prevalent in the province; the poor retention of mathematics and science educators in the area; and the lack of technical skills that hamper locals from fully benefitting from projects like the SALT and the SKA.

The Committee was guided through the SAAO's Stargazing Experience, one of the science outreach initiatives that it hosts for learners and visitors to the Sutherland Observatory. The Committee was guided in identifying key constellations that were visible at the time, and it was explained how these were used for navigation. By experiencing the clear, dark skies of Sutherland first-hand, the Committee received an appreciation for why Sutherland was a strategic and sought-after site for astronomical observation. In addition, the Committee saw how such an activity could encourage curiosity, stimulate interest in science and technology, as well as contribute to broader issues of development. For example, the Stargazing Experience induced a sense of serenity and contemplative mood among participants, which suggested that such an experience could aid programmes related to mental health, rehabilitation, wellbeing and healing.

To conclude the programme in Sutherland, the Committee toured the telescopes on the Sutherland Observing Plateau. Here they were explained some of the technical intricacies of operating and maintaining these telescopes. The Committee also interacted with the technical

and mechanical crew that were monitoring SALT operations. The Committee reflected how seeing the national research facilities and interacting with the staff and the community had provided a deeper understanding of what the astronomy programme entailed. This would certainly heighten future deliberations with the Department.

4. The National Research Foundation - South African Radio Astronomy Observatory (NRF-SARAO) - Carnarvon and Williston

The South African Radio Astronomy Observatory is responsible for supporting and implementing South Africa's strategic investments in radio astronomy. It operates offices and research infrastructure in Gauteng, the Karoo, and the Western Cape and the primary research platforms include the MeerKAT radio telescope and the Hartebeesthoek Radio Astronomy Observatory, while also hosting (and, in many instances, co-developing) international scientific instruments and facilities. Another key engineering programme, aimed at establishing radio astronomy capacity and capability with the SKA's partners on the African Continent, is the African Very Long Baseline Interferometry Network (AVN). In this regard, SARAO has supported the conversion of obsolete telecommunications dishes for radio astronomy purposes. The two-day visit to Carnarvon and Williston involved brief presentations on SARAO, the MeerKAT and SKA radio telescopes and the impact of the socio-economic opportunities stemming from the work undertaken. The Committee toured the MeerKAT and SKA facilities at the Losberg Site Complex, which included the Data Centre and Power Room. This was followed by a tour of the Karoo Array Telescope (KAT-7) and Hydrogen Epoch of Reionisation Array (HERA) radio telescope, and the MeerKAT at M 047 and first SKA-Mid SKA 063 antennas. There was also an opportunity for Members to interact with community projects and stakeholders supported by SARAO and these comprised local crafters, robotics learners, bursary holders, astro-guides, Riel dancers, representatives of local farmers and businesses. Visits were also arranged to an Early Childhood Development Centre and the Williston Old Age Home, both supported by SARAO, Artisans trained by SARAO also assist with maintenance work at these facilities.

4.1. MeerKAT / SKA Losberg Site Complex

The NRF-SARAO Karoo Site at Losberg was established in 2007 to host next-generation radio astronomy facilities, including the under-construction SKA and the MeerKAT radio telescopes.

The Losberg Complex is a National Key Point. Given its unique scientific qualities, supporting infrastructure, and engineering capacity, SRAO has attracted a range of other international facilities, including HERA and the Hydrogen Intensity and Real-Time Analysis eXperiment (HIRAX). Together, these facilities strengthen South Africa's role as a global hub for radio astronomy.

SRAO's other key facilities include the following:

- Klerefontein Support Base - located approximately 80 km from the leading site, on the road towards Carnarvon, the support base houses workshops and offices, and this is where a majority of maintenance activities are undertaken. SRAO entered into a long-term lease agreement with the Department of Agriculture for access to the land.
- Carnarvon Information Centre - located in the town of Carnarvon, this Centre is used by the SRAO stakeholder management team and provides a permanent presence for local stakeholders and community members to engage and consult with SRAO representatives.

Several additional facilities and infrastructures are under development. A strong focus on local participation is a critical success factor in the establishment of these facilities, which include the following:

- Artisan Training Centre: SRAO established a Training Centre at its Klerefontein Support Base to develop trades and skills within local communities. The long-term goal is to increase local communities' participation in the construction and operation of radio astronomy facilities. The Centre currently provides practical training for electrical artisans. A total of 117 artisans have been trained, and seven more students are enrolled for 2025. A procurement process is currently underway to construct a new facility for the Artisan Training Centre in Carnarvon. The Centre has temporarily been relocated to Carnarvon during this process.
- Carnarvon Science Exploratorium: The Department is collaborating with the National Department of Tourism (NDT), the Northern Cape Department of Economic Development and Tourism (DEDAT) and the Kareeberg Municipality to establish the Carnarvon Science Exploratorium in Carnarvon. This is envisaged to become a multi-purpose facility housing a Science Visitor Centre (SVC), Planetarium, Indigenous

botanical gardens, playpark, Information Centre (tourism visitor centre) and other amenities. The facility will contribute to the National Astro-tourism Strategy. It will support a range of socio-economic objectives, including education, skills development and enterprise development. The tender for construction of the Exploratorium is currently being processed.

- **Engineering Operations Centre:** This facility will be established at the Klerefontein Support Base to support the long-term operations and maintenance of the SKA telescope. Funded by SARAo, it will be leased back to the international SKA Observatory (SKAO) on a commercial basis.

4.2. Meerkat National Park

The 135 000 hectares that were acquired as part of the land acquisition programme were declared as the Meerkat National Park by the Minister for Forestry, Fisheries and the Environment in March 2020. Special restrictions and limitations have been implemented to ensure the protection and continuation of MeerKAT and SKA activities. South African National Parks (SANParks) was appointed as the Land Management Authority and, through a contract with the NRF, is responsible for implementing the Park Management Plan that was gazetted in September 2022. SANParks has established an operational management team and initiated several projects and engagement programmes. To implement the full scope of the Park Management Plan, SARAo is responsible for establishing an approximately 200 km long, 2.4 m high predator-proof game fence. In November 2024, NRF approved the award of a tender for the construction of the game fence, and project preparation is currently underway.

4.3. Astronomy Geographic Advantage Act

As with the Sutherland Observatory, radio astronomy observations and infrastructure are protected. Through appropriate engagement between SARAo, the Department, the Independent Communications Authority of South Africa (ICASA), and the Department of Telecommunications and Postal Services (DTPS), there is policy and regulatory alignment ensuring a ‘whole of government’ approach to the protection of radio astronomy. A key strategic principle in the implementation of protection measures is the consolidation of telecommunication services onto different platforms as much as possible and ensuring the availability of alternative, radio astronomy-friendly telecommunication services to local

communities. The ‘whole of government’ approach saw the early deployment of satellite television receivers across the Karoo as part of South Africa’s digital migration strategy, replacing high-powered terrestrial broadcasting with easily accessible satellite television.

4.4. Radio Astronomy Infrastructure Platforms

4.4.1. MeerKAT

The MeerKAT radio telescope was designed, constructed and operated by SRAO. It is the premier facility in the world of its type and has delivered multiple groundbreaking scientific discoveries since its inauguration in 2018. The instrument has more than 75% local content and is a precursor to the SKA radio telescope currently under construction. The development of MeerKAT enabled the establishment of a South African team that is globally acknowledged as being the world leader in the field. The MeerKAT radio telescope continues to receive scientific accolades from across the world for several discoveries that it has undertaken since its launch. Many of these discoveries have been delivered by the local astronomy community, which has grown exponentially and been transformed over the last decade. The 64-dish MeerKAT is currently being extended through the construction of a further 13 dishes, following a R450 million investment by the Max Planck Gesellschaft (MPG) in Germany and the National Institute of Astronomy and Astrophysics (INAF) in Italy. At the same time, INAF has invested a further R240 million into additional scientific capability (new receivers) on the existing 64-dish MeerKAT and SRAO is contracted to do a significant part of the work. The establishment of MeerKAT was preceded by KAT-7, a 7-dish engineering prototype that enabled South Africa to establish the skills and competency, as well as test innovative engineering technologies, to develop the highly successful MeerKAT facility.

4.4.2. SKA

After three decades of design and planning by international teams involving many SRAO and SKAO staff, construction of the first phase of the SKA radio telescope project was formally launched on 5 December 2024 at the two telescope sites: the Karoo region of South Africa, which will host SKA-Mid, and Western Australia’s Murchison Shire, which will host SKA-Low. With a total value approaching €1 billion across the two telescopes, construction is anticipated to be completed by 2028. The first South African milestone, a four-dish array in

South Africa, is expected to be deployed by the end of 2025. Construction of the SKA telescope is being undertaken by the international SKAO, and a range of contracts have been awarded to various institutions and industries across the member countries, including South Africa. Approximately 75% of the contracts have already been placed, including civil and high-tech infrastructure.

South Africa has enjoyed a significant return on investment with respect to contracts awarded to the South African industry and SARAo for the construction of SKA-Mid. Of significant importance is the participation of local small, medium and micro enterprises (SMMEs). An estimated R100 million will be spent on supporting local SMMEs, employing local people, training and transferring skills to local people, and implementing community development initiatives in conjunction with the SKAO and SARAo.

4.4.3. HERA and HIRAX

Additional facilities operated at the SARAo Karoo site include the following:

- –The Hydrogen Epoch of Reionisation Array (HERA) is funded by an international consortium led by the University of California (Berkeley). With over R40 million invested, the project led to the employment and training of 24 local artisans that were responsible for construction and ongoing maintenance of the facility. Local suppliers benefited significantly, with 95% of the investment being made in the Northern Cape Province.
- –The Hydrogen Intensity and Real-time Analysis eXperiment (HIRAX) project is an international project led by the University of KwaZulu-Natal, currently under construction

4.4.4. Socio-economic Impact

Based on an independent socio-economic analysis for the period 2012 to 2022, radio astronomy investment has created 23 022 direct and indirect job opportunities. Approximately 500 people are permanently employed with SARAo, with 90% of the staff in the Karoo originating from the surrounding towns. Currently, over 11 local SMMEs and 18 transport service providers have been contracted for SKA construction activities, with more expected for upcoming projects, and 301 local people have been employed on construction related contracts. SARAo

spends between R1.5 million and R5 million per quarter with SMME's in Carnarvon (excluding accommodation).

4.4.5. SMME Training, Development and Astro-tourism

Several initiatives are aimed at ensuring that benefit is realised within the local communities of the Karoo. These include the positioning of local and emerging contractors to take advantage of procurement opportunities for the MeerKAT and SKA projects. For this purpose, supplier and SMME development training programmes, as well as local artisan training and skills development initiatives had to be undertaken. SARAo has also established a business support office that, in collaboration with the SMME Trust, has continued to support entrepreneurs and SMMEs in the local community.

In support of the National Astro-tourism Strategy and the project to establish a Carnarvon Science Exploratorium, SARAo has partnered with the Department of Tourism to train Astro-guides to provide sky-viewing experiences to tourists. So far, R680 000 has been spent on the training of Astro-guides, and a second phase of the training programme is currently underway in partnership with DEDAT, which will train an additional 13 guides.

4.4.6. Development Grants

The SARAo Community Development Grants aim to foster sustainable growth, innovation and community resilience. The grants, each worth R150 000, invest in grassroots initiatives, education programmes, and community-driven projects. Projects include:

- Youth Development Programmes - empowering youth through skills training and capacity-building initiatives.
- Astro-tourism and Cultural Investments - Carnarvon Astro-guides and support for the annual Riel Dance Competition.
- Verneukpan Sopkombuis - a community Not-for-Profit Organisation (NPO) that has been instrumental in addressing the diverse needs of the Swartkop community. With the support of these grants, they constructed a Community Centre, which serves as a soup kitchen, library, crèche, clinic, and meeting space, benefiting 125 community members monthly.

- Williston Old Age Home - supply and installation of solar panels, which also provided practical experience in solar installation for artisan trainees.
- Early Childhood Development Centre - supply of Montessori teacher education equipment and training to address gaps in early childhood education.
- For 2024/25, R1.2 million in development grants were issued.

4.4.7. Human Capital Development

A significant return on South Africa's investment in radio astronomy is the output of SARAO's human capital development initiatives, covering a range of science, technology, engineering and mathematics (STEM) disciplines and supporting a pipeline of development that begins at school level and extends through undergraduate and postgraduate degrees, post-doctoral fellowships and research positions at South African universities. The strategic objectives of the NRF-SARAO Human Capital Development programme are to develop and build a sustainable, diverse, transformed and globally respected South African astronomy community.

To maximise opportunities for local community participation, specific human capital development interventions are implemented in the communities surrounding the MeerKAT and SKA projects. These are the:

- SARAO Schools Programme: Two mathematics and science teachers are employed by SARAO at Carnarvon High School. Learners from surrounding towns wishing to pursue science and mathematics through to Grade 12 are offered bursaries to attend Carnarvon High School, which includes accommodation.
- SARAO Robotics Programme: The robotics programme has produced teams from Carnarvon High School to represent South Africa at international competitions on at least two different occasions. The Committee had the opportunity to engage with the learners from this Programme.

5. Conclusion

The Committee concluded these visits by thanking their hosts for an engaging and educational experience. The Committee was hopeful that by having these significant research facilities and a cohort of world-class scientists, engineers, innovators and technologists, the true value of

these would be realised when it positively influenced the daily lived realities of all South Africans.

The Committee stressed the importance of transformation and inclusion, in all dimensions of science and innovation, and urged that local communities find meaning and value in facilities such as these. The Committee further stressed that they would continue to advocate for increased funding for science and innovation and will ensure that the Committee's programme accommodates more such visits.

6. OBSERVATIONS

The Committee made the following observations:

6.1. NRF - SAAO

- 6.1.1. The Committee expressed their appreciation for the work being done by the NRF and SAAO and noted their efforts to ensure the local development and inclusion of the community surrounding the Sutherland Observatory.
- 6.1.2. The Committee, however, enquired about the extent and sustainability of the socio-economic benefits for the community.
- 6.1.3. The Committee wanted to know more about the type and number of jobs that had been created, and how these benefitted the community and its surrounds. They further asked about the inclusion of women and youth in the programmes and job opportunities.
- 6.1.4. They asked if there is a measure that indicates that astronomy and the location of the infrastructure in the community improved the standard of living of the said community.
- 6.1.5. The Committee encouraged relationships with historically disadvantaged institutions, especially with the technical and vocational education and training (TVET) colleges and Sol Plaatjie University in the province. This could assist with skills development in the province and the potential absorption of locals in astronomy projects.
- 6.1.6. The Committee acknowledged the challenges regarding mathematics and the low number of learners choosing and succeeding in this subject. They encouraged that programmes be put in place whereby potential learners are identified at an early age and nurtured through special programmes to excel in mathematics and science.

- 6.1.7. The Committee asked about the investment in graduate programmes and whether those who benefitted and become astronomers return the investment by seeking employment in the country's science system.
- 6.1.8. The Committee encouraged that more attention should be given to astro-tourism in the area and that discussions with relevant stakeholders and the provincial government take place to enhance this initiative.
- 6.1.9. They highlighted their concern about road infrastructure, the development and upgrading of hotels and guesthouses, as well as other basic amenities in the area.
- 6.1.10. The Committee emphasised that communication and public awareness was crucial to promote these facilities, and that more effort should be given toward that.
- 6.1.11. The Committee acknowledged that adequate funding is a major challenge and noted that the SAAO is generally underfunded.
- 6.1.12. The Committee conceded that the NRF and its astronomy entities could not be responsible for and support all socio-economic issues in the province. Responsible stakeholders, be it the district and/or the province, need to ensure they remain responsible for the key developmental issues and services that need to be addressed in the province.
- 6.1.13. The Committee wanted to know more about the shareholding and agreements of the SALT and how new partners would be accommodated. They were further interested in the agreements between South Africa and the countries of the telescopes hosted on the site.
- 6.1.14. The Committee expressed concern, due to SAAO's inadequate funding, for the maintenance and upgrade of the astronomy infrastructure.

6.2. NRF - SARAO

- 6.2.1. The Committee commended the NRF and SARAO for their achievements to date and for ensuring that South Africa is recognised as a global leader in radio astronomy.
- 6.2.2. The Committee wanted to know about the loss and retention of skills, especially engineers, and what programmes were in place to attract and retain high quality engineers.
- 6.2.3. The Committee stressed that succession plans must include individuals from the local community, especially youth and women. These plans must also ensure the inclusion of locals and women in all echelons of the entity.

- 6.2.4. The Committee asked about the different categories of bursary SRAO offered to learners and students, as well who the bursary beneficiaries were. So too, the demographics of the individuals who had been granted internships.
- 6.2.5. The Committee enquired about the procurement processes followed for the SKA, especially since the project is under the management of the SKAO, an international intergovernmental organisation.
- 6.2.6. Regarding procurement and contracts secured from the SKAO, the Committee asked how many local SMMEs benefitted from these.

7. RECOMMENDATIONS

The Committee recommends the following:

7.1. NRF – SAAO

- 7.1.1. The Department should address the challenge of infrastructure investment, which is required to ensure longevity and maintain cutting edge and globally relevant facilities. They should explore ways to diversify revenue through international partnerships, investing resources in new technologies and optimizing operations for maximum research impact.
- 7.1.2. The Department, with relevant stakeholders, strengthens local recruitment and employment initiatives.
- 7.1.3. The Department, with relevant stakeholders, strengthens local partnerships and STEM pipeline development.
- 7.1.4. The Department, with relevant stakeholders, expands on visitor experiences to bolster local economic growth.
- 7.1.5. The Department responds in writing on matters which required detailed answers relating to SMME beneficiary demographics, SALT maintenance and funding plans, and the Memorandums of Understanding with partners for hosted telescopes.

7.2. NRF - SRAO

- 7.2.1. The Minister and SARA O ensure the finalisation of the fence issue of the MeerKAT National Park as per the stipulated date of 31 March 2025. This would improve the relationship between SKA and the farmers bordering the park.
- 7.2.2. The Minister continues to pursue the enhancement and strengthening of intergovernmental relationships to garner support for science and innovation, for both governance and funding.
- 7.2.3. The Minister enhances the support given to basic education to help improve learner outcomes in mathematics and science.
- 7.2.4. The Department and its entities forge stronger ties with the post-school education and training sector to influence and ensure that available curricula support its strategies and programmes.
- 7.2.5. The NRF, SARA O and SAAO ensure that their succession plans include individuals from the local community, especially young, black women. These plans must also ensure the inclusion of locals and women in the management echelon.
- 7.2.6. The Department responds in writing on matters which required detailed answers relating to SMME beneficiary demographics and the SKA budget.
- 7.2.7. The Minister continues to engage the National Treasury for adequate levels of funding for both optical and radio astronomy.

Report to be considered.

4. REPORT OF THE PORTFOLIO COMMITTEE ON SCIENCE, TECHNOLOGY AND INNOVATION ON ITS CONSIDERATION OF THE 2024/25 SECOND AND THIRD QUARTER FINANCIAL AND NON-FINANCIAL PERFORMANCE OF THE DEPARTMENT OF SCIENCE, TECHNOLOGY AND INNOVATION, DATED 27 MAY 2025.

The Portfolio Committee on Science, Technology and Innovation, having considered the 2024/25 Second and Third Quarter Financial and Non-Financial Performance of the Department of Science, Technology and Innovation, reports as follows:

1. Introduction

The Constitution of the Republic of South Africa, 1996, the Rules of Parliament and the Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009) mandates the Portfolio Committee on Science, Technology and Innovation (hereafter, the Committee) to oversee the activities and performance of the Department of Science, Technology and Innovation (hereafter, the Department or DSTI) and the entities¹ that report to it. To give effect to the requirement of Section 5 of the Money Bills Amendment Procedure and Related Matters Act, the Committee considered the 2024/25 second quarter (1 July to 30 September 2024) and third quarter (1 October to 31 December 2024) expenditure and performance of the DSTI on 4 February 2025.

2. Vote 35: Science, Technology and Innovation

2.1. Policy and Strategic Context

The National Development Plan (NDP) states that South Africa's National System of Innovation (NSI) needs to be expanded as well as be more effective and aligned with the sectors that will realise the country's growth objectives. This requires that:

¹ DSTI Entities: Academy of Science of South Africa (ASSAf), Council for Scientific and Industrial Research (CSIR), Human Sciences Research Council (HSRC), National Advisory Council on Innovation (NACI), National Research Foundation (NRF), South African Council for Natural Scientific Professions (SACNASP), South African National Space Agency (SANSA), and Technology Innovation Agency (TIA).

- South Africa invests more in research and development (R&D);
- The science, technology and innovation (STI) institutional arrangement improve the link between innovation and the productive needs of industry;
- Government should collaborate with the private sector to raise the level of R&D in companies; and
- Public investments in research infrastructure should be focussed on and fulfil the needs of a modern economy.

Recognising that the impact of STI is not realisable in the short term and that the NSI is the principal tool for creating new knowledge, applying knowledge in production processes, and disseminating knowledge through teaching and research collaboration, the NDP proposed entrenching the contribution of STI to economic growth in three phases. The anticipated outcomes of these three phases are:

Phase 1 (2012 to 2017): Focus on intensifying R&D spending, emphasising opportunities linked to existing industries.

Phase 2 (2018 to 2023): Lay the foundations for more intensive improvements in productivity where innovation across state, business and social sectors should start to become pervasive. Innovation should also focus on improved public services and on goods and services aimed at low-income sectors.

Phase 3 (Approaching 2030): Emphasis should be on consolidating the gains of Phase 2 with greater emphasis on innovation, improved productivity, more intensive pursuit of a knowledge economy and better exploitation of comparative and competitive advantages in an integrated continent.

The 2019 White Paper on STI, and its implementation plan, the 2022-2032 STI Decadal Plan, seeks to ensure an increasing role for and use of STI to accelerate inclusive economic growth, increase the competitiveness of the economy and improve the livelihoods of South Africa's citizens. Hence, the STI Decadal Plan identifies five system goals related to:

- Ensuring an inclusive and coherent NSI.

- Expanding and transforming the research system.
- Increasing and developing future-proof human capabilities.
- Enabling an innovation driven environment.
- Significantly increasing funding for the NSI.

The Department seeks to realise the vision of “Increased well-being and prosperity through STI.” Thus, the Department is responsible for developing, coordinating and managing the NSI by providing policy leadership and creating an enabling environment for STI. To ensure that the NSI expands its positive impact on reducing poverty, inequality and unemployment as envisioned by the 2019 White Paper on STI, the Department identified the following six outcome goals for the period 2020-2025.

Outcome 1: A transformed, inclusive, responsive and coherent NSI.

Outcome 2: Human capabilities and skills for the economy and for development.

Outcome 3: Increase knowledge generation and innovation output.

Outcome 4: Knowledge utilisation for economic development in (a) revitalising existing industries and (b) stimulating R&D-led industrial development.

Outcome 5: Knowledge utilisation for inclusive development.

Outcome 6: Innovation in support of a capable and developmental state.

2.2. 2024/25 Budget Allocation

In 2024/25, consolidated government expenditure on innovation, science and technology² decreased from R20.7 billion to R20.2 billion. Of significance to a sector that remains significantly underfunded, is that over the medium-term, the Department’s budget decreases at an average annual rate of 3.4% due to Cabinet-approved reductions of R3 billion. Furthermore, the Department had been advised by National Treasury to reprioritise existing funds to meet any new mandates or responsibilities.

The Department’s 2024/25 budget allocation³ decreased by R1.1 billion from R10.6 billion in the 2023/24 financial year to R9.5 billion. The Department’s allocation is estimated to further

² National Treasury, 2024. Budget Review 2024.

³ National Treasury, 2024. Estimates of National Expenditure 2024.

decline to R9.1 billion in 2025/26. In terms of economic classification, the percentage apportionment of the Department's budget allocation of R9.5 billion remained similar to previous years with Transfers and subsidies still garnering the largest share of the budget at 94% (R8.9 billion). The percentage budget allocation to the Programmes remained essentially the same as in previous financial years as well and Programmes 2: Technology Innovation, 4: Research, Development and Support and 5: Socio-economic Innovation Partnerships that are responsible for the transfers to the Department's entities, received 95% of the Department's total budget allocation. These three Programmes also account for the R1 billion reduction in the Department's 2024/25 budget, with Programme 2's budget decreasing by R567.3 million. Baseline allocations to the Department's entities amounted to R2.8 billion. Allocations to key infrastructure projects amounted to R2.83 billion.

For 2024/25, the Department translated its planned performance into 69 (73 in 2023/24) annual performance indicators and targets. The reduction in performance targets, as well as the revision of some performance targets, was mainly due to the R1.1 billion reduction in the Department's 2024/25 budget allocation.

2.3. 2024/25 Adjusted Estimates of National Expenditure⁴

The Department's 2024/25 budget allocation reduced by R27.35 million from R9.47 billion to R9.44 billion. The Department transferred the R27.35 million to the Department of Higher Education and Training as part of the national macro-organisation of government process.

Virements and shifts within the Vote amounted to R71 million. The most significant of which was R50.1 million taken from Research and development infrastructure under Programme 4, which included a R105 000 donation to Professor Zukiswa Zingela (Nelson Mandela University) for the South African Women in Science Awards, and R14.9 million taken from Innovation projects under Programme 2. The Goods and services allocation increased from R217 million to R259 million.

2.4. 2024/25 Revised Annual Performance Plan

⁴ National Treasury, 2024. Adjusted Estimates of National Expenditure 2024.

During 2024/25, the 7th administration took office and announced new priorities aligned with the Medium-Term Development Plan (MTDP). Considering this shift, the Department of Planning, Monitoring, and Evaluation (DPME) issued a directive requiring all departments to revise their existing commitments in their 2024/25 Annual Performance Plans (APPs). This directive necessitated a realignment of strategic goals and performance indicators to ensure coherence with the new administration's vision and priorities of (i) inclusive growth and job creation; (ii) reducing poverty and tackling the high cost of living; and (iii) building a capable, ethical, and developmental state.

The amendments to the Department's performance indicators and targets only pertain to Programmes 2 and 5, and are reflected in the following image:⁵

⁵ Department of Science, Technology and Innovation, 2024. 2024/25 Revised Annual Performance Plan, Annexure B, pages 245 and 246.

Programme	Priority (1,2,3)	APP Indicator	Current Target	Amendment	Reason
Programme 2: Technology Innovation	i) Inclusive growth & job creation;	Number of unemployed youth supported under the TT100 Learnership/ Internship Programme	Annual Target: 20 youth supported under the TT100 Learnership/ Internship Programme by 31 March 2025	Remove from 2024-25 APP	No funding will be provided towards the tt100 programme in this financial year, as the review of the tt100 programme has been delayed due to the need for SCM to appoint service providers.
	ii) Reduce poverty and tackle the high cost of living;		Quarterly Target: Q3 Target changed to no target removed	No Target	The targets previously input was not intended as final or definitive goals
	iii) Build a capable, ethical & developmental state		Quarterly Target: Q3 Target changed to no target	No Target	The targets previously input was not intended as final or definitive goals
			Quarterly Target: Q3 target changed to no target	No Target	The targets previously input was not intended as final or definitive goals
Programme 5: Social – Economic Innovation Partnerships (SEIP)	i) Inclusive growth & job creation;	Number of Sector Innovation Fund (SIFs) interventions implemented to support the development of human capacity and skills as well as knowledge and innovation outputs for socio-economic development	5 SIF interventions implemented to support the development of human capacity and skills as well as knowledge and innovation outputs for socio-economic development by 31 March 2025	6 SIF interventions implemented to support the development of human capacity and skills as well as knowledge and innovation outputs for socio-economic development by 31 March 2025	One of the SIFs requested an extension of the term of their contract to September 2024 from an original end date of March 2024. Therefore all 6 SIFs are still being supported in 2024/25
Programme	iii) Build a capable, ethical & developmental state	STI Decadal Plan priorities incorporated into the National Treasury MTEF process, the DPME 2024/25 BPF and the 2024-2029 MTDP priorities	STI Decadal Plan priorities incorporated into the National Treasury MTEF process, the DPME 2024/25 BPF and the 2024-2029 MTDP priorities	STI Decadal Plan priorities incorporated into the DPME planning and the NT budgeting processes.	The Outputs; OPI; Audited performance and targets were captured incorrectly – using the old version inputs on the first draft
		Turnaround time in providing preapproval decisions on projects for the R&D tax incentive	Preapproval decisions provided within 90 days from date of receipt for 80% of projects for the R&D tax incentive by 31 March 2024	RDTI Adjudication Committee recommendations processed for the Minister's consideration.	Completeness and verification process – Evidence that we are in control of.

The Department now has 68 annual performance indicators and targets due to the removal of the target to support 20 youth under the Technology Top 100 Learnership/Internship Programme.

2.5. 2024/25 Quarterly Expenditure and Performance

At the end of Quarter 1, the Department had spent 16.9% of the available budget and achieved 75% of its performance targets.

At the end of Quarter 2, the Department had spent R4.4 billion (47%) of the adjusted budget of R9.44 billion; whereas, the Department had planned to spend R6.7 billion, causing actual expenditure to vary from planned expenditure by 34% or R2.3 billion. The slower than

projected spending was mainly due to outstanding Transfer payments, which was R2.28 billion less than planned. The Department had 51 performance targets for the quarter. It achieved 45 (88%) of these targets.

At the end of Quarter 3, the Department had spent R7.04 billion (75%) of the adjusted budget of R9.44 billion; whereas, the Department had planned to spend R7.27 billion, causing actual expenditure to vary from planned expenditure by 4% or R232 million. The slower than projected spending was mainly due to outstanding Transfer payments, which was R248 million less than planned. Payments for Goods and for Capital assets exceeded planned expenditure by R19.7 million and R5.1 million, respectively. The Department had 42 performance targets for the quarter. It achieved 32 (76%) of these targets.

The Department's total expenditure on Goods and services for the three financial quarters was R78.8 million, of which 72% was spent on black-owned companies, 41% was spent on women-owned companies, 14% was spent on youth-owned companies and 4% was spent on companies owned by persons with disabilities. From July to December 2024, the Department paid all its invoices within the prescribed 30-day period.

In relation to the audit action plan for 2023/24, the Department had resolved six of the eight findings made by the Auditor-General of South Africa (AGSA). The remaining two findings that pertained to ensuring that the safeguarding of assets is included in the internal audit plan, and that the PERSAL User Account Management Procedure is revised, were partially resolved. These findings will be fully resolved by 31 March 2025.

3. Remarks by the Deputy Minister of Science, Technology and Innovation, Ms Nomalungelo Gina

The Committee welcomed the presentation and the introductory remarks made by the Deputy Minister (the DM) of Science, Technology and Innovation, of which the following was noted:

- The DM reported that the Department's performance for the two quarters was satisfactory. For Quarter 2, 88% of the targets were achieved and for Quarter 3, 76% of the targets were achieved.

- She explained that their failure to meet certain targets was mainly due to external factors and the disruptive nature of the year that marked both the end and the beginning of a new administration.
- She went on to highlight a few noteworthy achievements. She mentioned that the Department, through the National Research Foundation (NRF) exceeded its target of bursaries granted to postgraduate students. Research grants awarded to black female emerging researchers were also exceeded.
- She reported that in July 2024, a milestone was reached through the assembly of the first Square Kilometre Array (SKA)-mid telescope 15 metre dish in the Northern Cape. This achievement was led by the SKA Organization, the South African Radio Astronomy Observatory (SARAO) and the China Electronics Technology Group Corporation (CETC) 54th Research Institute.
- She further stressed that good progress has been made in space science, which is primarily led by the South African National Space Agency (SANSA). They managed to assist with funding the University of KwaZulu-Natal's Aerospace Systems Research Institute (ASRI) to commission a sub-orbital sounding rocket launch facility in Cape Town.
- Another achievement in the last two quarters, under Outcome 4, has been the launch of the Seed Fund of Funds, which is designed for SMME's in the innovation space who struggle to get funding for early-stage product development. R300 million was allocated to this Fund.

4. Committee Observations

In deliberating on the information presented, the Committee:

- 4.1.** Expressed general satisfaction with the Department's achievement of its quarterly performance targets, which for the second quarter was 88% and 76% for quarter three.
- 4.2.** Noted the Department's reasons regarding its unmet targets; however, stressed that the reasons for these were generalised and that in future the Department should be specific about the non-compliance of implementing agencies where contracts had not been finalised on time or spending thresholds had not been reached.

Furthermore, the Department should also be specific about companies that had not submitted invoices on time.

- 4.3. Enquired about the targets that were not achieved in Programme 2 and asked what prompted an evaluation of the TT100 Programme and when the evaluation would be concluded.
- 4.4. Sought clarity on how the programme around South African students participating in international training programmes worked, and especially who the beneficiaries for such opportunities were.
- 4.5. Asked about the Department's policies on sick-leave and work-from-home and how these are being managed to ensure that the system is not abused.
- 4.6. Expressed their hope that there would be an increase in the Department's 2025/26 budget since South Africa will be host to the G20 Summit and that the overriding theme for the upcoming event is that of science, technology and innovation.
- 4.7. Expressed interest in the role and responsibilities of the Department for the G20 Summit and to what extent the Committee could also play a role.
- 4.8. Expressed interest about the signing of two international agreements with China on global satellite navigation systems and science promotion.
- 4.9. Expressed that the underfunding of the Department and its entities remains a serious concern.

5. Committee Recommendations

Having concluded their deliberations, the Committee recommended that:

- 5.1. The Department makes a concerted effort to improve their planning to meet future targets.
- 5.2. The Department remains conscious of and avoids underspending, as this would hamper the Committee's attempts to advocate for additional funding.
- 5.3. The Department update the Committee on the TT100 Programme and the evaluation outcome.
- 5.4. The Department provide the Committee with a comprehensive report on the planning and programme details for the G20 Summit.
- 5.5. The Department share information about the international training programme and its past beneficiaries.

5.6. The Department provide the Committee with more detail on the two international agreements with the Chinese government and the 9 Point Action Plan.

Report to be considered.