

Wednesday, 9 July 2025]

No 112—2025] SECOND SESSION, SEVENTH PARLIAMENT

PARLIAMENT
OF THE
REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
 TABLINGS AND
 COMMITTEE REPORTS**

WEDNESDAY, 9 JULY 2025

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National Assembly and National Council of Provinces

1. The Speaker and the Chairperson

- (a) Approved Reviewed Strategic Plan for the 7th Parliament.

2. The Minister of Justice and Constitutional Development

- (a) Proclamation No R.267, published in Government *Gazette* No. 52846, dated 13 June 2025: Referral of Matters to Existing Special Investigating Unit: in respect of the affairs of the Chemical Industries Education and Training Authority (“CHIETA”), in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996).
- (b) Proclamation No R.6297, published in Government *Gazette* No. 52839, dated 09 June 2025: Erratum notice: Referral of Matters to Existing Special Investigating Unit: Housing Development Agency, in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996).
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COMMITTEE REPORTS

National Assembly

1. Portfolio Committee on Communication and Digital Technologies. Report on the 2025 Global Technology Summit, 10-12 April 2025, India. The report was considered by the Committee, 1 July 2025.

Delegate: Hon Shaik Imraan Subrathie

Between 10 and 12 April 2025, I participated in the Global Technology Summit in India as a member of the Portfolio Committee on Communication and Digital Technology from the South African Parliament. The discussions primarily focused on *Digital Public Infrastructure (DPI)*, *AI governance*, *the impact of geopolitical technology*, and *the significance of digital identity in socio-economic development*.

A significant insight was that DPI needs to tackle genuine issues. From a South African perspective, this was a valuable insight for a country endeavoring to study and model the rollout of DPI. India's main obstacle in this regard was the leakage in social assistance distribution, which the *Aadhaar digital ID* system effectively resolved by connecting biometric identity to welfare payments, leading to a reduction in fraud and other system vulnerabilities.

This model has been embraced by Morocco, Uganda, Malawi, Nigeria, and the Dominican Republic, showcasing the potential of DPI to improve governance efficiency. A reflection that I made as a Member of The Portfolio Committee on Communication and Digital Technologies outlined the challenges regarding social grant inefficiencies, duplicate beneficiaries, and corruption within the South African developing "DPI" framework impede effective service delivery. The experience of India provides valuable insights. In India, a robust digital ID system should bolster the digital public infrastructure, enabling seamless integration across social grants, healthcare, and tax systems, all while ensuring interoperability and inclusivity.

The summit places particular emphasis on the fact that achieving successful digital public infrastructure involves more than just technological advancements; it necessitates robust institutions (mostly SOEs which report to the PC of Communication and Digital Technologies in South Africa's regard), public confidence, and collaboration with the private sector. The

success of India's Aadhaar system can be attributed to its universal and mandatory nature, as well as its integration with bank accounts and mobile numbers, which fostered a cohesive digital environment.

It is essential for South Africa to involve mobile network operators (MNOs) and banks at the outset to guarantee comprehensive coverage across the nation. This lesson underpins the rollout of India's framework for DPI. India was not secretive about some of the challenges it faces in this regard; obstacles persist regarding financial support, expansion, and acceptance. Numerous African countries that participated in the summit face difficulties with infrastructure expenses and reluctance to embrace change. Gradual implementation, beginning with trials in critical areas such as social assistance, may reduce risks while showcasing immediate successes to foster public confidence. The importance of data sovereignty cannot be overstated and was a central feature in the summit. South Africa needs to guarantee that its DPI infrastructure remains vendor-neutral and is not overshadowed by foreign technology corporations, thereby protecting national authority over citizen data.

Within India, DPI aids in capturing and formalising the informal economy. This enables the informal sector, such as South Africa's Spaza shop system, to remain connected to the digital economy, generating tax revenue and benefiting from government interventions. DPI also helps governments track migration and the economic impact of foreign nationals during crises.

The influence of geopolitics on DPI development was a key theme, particularly on Day 2, which examined the impact of US and Chinese technology policies on global digital ecosystems. The summit examined the effect of AI on governance, placing emphasis on India's adaptable strategy, in contrast to the EU's stringent regulations (regulation of AI, particularly relevant since South Africa is on a similar path). India is in a similar position to South Africa when it comes to the regulation of AI. The desire to regulate AI is there, but there has not been a significant advancement as far as legislative regulations are concerned. A balanced approach that encourages innovation while effectively addressing risks could be the most advantageous solution.

At the summit, the focus was on the overarching problem that affects multiple sectors of the digital economy, offering a unique perspective on the challenges other sectors may face during the wider rollout of DPI infrastructure. The value of these case studies lies in allowing our country to look ahead and steer clear of potential pitfalls that have already been identified in countries like India.

The summit emphasised that DPI's success depends on addressing genuine issues, rather than merely implementing technology. ***South Africa needs to explicitly outline its challenges, such as grant leakages and identifying fraud, prior to formulating solutions.*** This approach will foster citizen trust by emphasising transparency and delivering tangible benefits. The Summit was about studying India's DPI model, which strategically involves the private sector (TATA as the key organisers), and carefully managing geopolitical tech rivalries. In this regard, South Africa has begun the journey to leverage DPI to enhance governance and promote inclusive digital growth in line with the digital roadmap and allied policies. The summit served as an essential reminder that South Africa needs to take bold steps to establish itself as a frontrunner in Africa's digital transformation. The concept of DPI relies on a digitally robust infrastructure that supports it, from the telecommunication system to access to devices and broader digital literacy. India has shown that DPI is not a singular concept but a unification of the broader advancement of digital technology.

Report to be noted.

2. Portfolio Committee on Communication and Digital Technologies. Brief report on the international trip to the GSMA Mobile World Congress: 2025 from 3 – 6 March 2025 in Barcelona, Spain. The report was considered by the Committee, 1 July 2025.

Delegates: Hon. KLN Sangoni and Hon. SG Vilakazi

1. GSMA Mobile World Congress 2025 (MWC 2025)

1.1. Background information

Earlier in March 2025, more than 100,000 thought leaders, technologists, and policymakers worldwide converged in Barcelona for the annual Mobile World Congress 2025 (MWC 2025). The event sets the tone for the coming year's developments in mobile connectivity.

The Chairperson, Honourable KLN Sangoni, a member of the Committee, Honourable SG Vilakazi (Democratic Alliance) and Dr J Medupe, the Content Advisor of the Committee received an invitation from Huawei, in partnership with GSMA, to attend the Mobile World Congress (MWC) Barcelona from the 3rd to the 6th March 2025.

MWC 2025 wasn't just a conference; it was a meeting of minds, industries, and innovations, all driving the future of connectivity. This year's discussions stretched across industries, exploring how 5G moves beyond promise to real-world impact, powering everything from private networks to advanced coverage solutions. Connectivity took Centre stage as experts tackled the challenges of an increasingly **hyperconnected world**, with the Internet of Things (IoT) **set to surpass 15 billion devices by 2027**. Artificial intelligence (AI) was everywhere, not just as a disruptor but as a critical force shaping businesses, networks, and consumer experiences. And as enterprises evolve, agility is no longer optional. Conversations around cloud computing, edge intelligence, and hybrid work underscored the urgency for companies to reinvent themselves.

MWC 2025 is a significant event where discussions about policy and regulation in the telecommunications and technology sector occur. The event brought together **industry leaders, policymakers, regulators, and experts** to debate and shape the future of connectivity, mainly focusing on issues like AI, spectrum, digital inclusion, and cybersecurity. The GSMA Ministerial

Programme was also one of the key components, providing a platform for ministers and other influential figures to engage in policy discussions.

Moreover, this year's themes reflected the industry's continued evolution—from 5G Inside, Connect X, AI+, Enterprise Re-invented, Game Changers, and Our Digital DNA. MWC 2025 also unveiled cutting-edge technologies, exclusive product launches, and insightful discussions shaping the future of connectivity.

With all the wireless connectivity industry activity, here are some other themes that dominated this year's MWC 2025 and thoughts on how the cable industry plays a key role in delivering and advancing them. Network providers showcased **AI-powered virtual assistants designed to streamline interactions, automate services, and improve customer experience**. On the network side, **AI-driven 5G solutions combine communication, sensing, and computing to support industrial applications and smart city initiatives**. These developments highlight AI's growing role in redefining connectivity, optimising network efficiency, and enhancing digital experiences across industries.

This year's GSMA MWC 2025 theme was “**Converge. Connect. Create**”, which captures the event's unique ability to influence the future, as the only place that brings together everyone, from founders to presidents, all under one roof. The following sub-themes supported the central theme of the event:

- **In 5G Inside**, MWC 2025 focused on the Return on Investment (ROI) of 5G networks through new revenue-generating services, cost reductions, strategic partnerships, regulation, and spectrum management.
- **Connect X**, MWC 2025 looked at how our growing and increasingly complex mobile ecosystem can collaborate better – from cloud hyperscalers, systems integrators and innovators in AI, robotics and automation, to mobile, fixed and satellite providers.
- **AI+**, MWC 2025 explored the optimisation of processes and tools to accelerate transformation in the network or cloud. Understanding new levels of natural interaction between people and computers to deliver personalised experiences.
- **Our Digital DNA requires** technology companies worldwide to realign their values to reflect this new reality, prioritising environmental sustainability, gender equality, and social responsibility.
- **Enterprise reinvented**, enterprises invest substantial time and resources into their digital strategies to secure a competitive advantage.

- **Game Changers**, latest use cases and insightful discussions on how these transformative technologies will redefine our future.

For Africa, the message from the MWC 2025 was that innovation must be inclusive. The rollout of affordable 5G solutions, AI-driven network optimisation, and satellite-powered rural connectivity has to be accelerated, ensuring that connectivity reaches even the most remote regions. Fintech remains a powerhouse, with mobile money and digital payment solutions continuing to redefine financial inclusion across the continent. Enterprises have also started to leverage cloud computing, AI, and blockchain to drive efficiency and scale solutions tailored to African markets.

However, innovation cannot thrive without the right policies and investment. African leaders, telcos, and tech innovators at MWC 2025 emphasised the need for **collaborative regulation, infrastructure investment, and skill development** to grow the digital economy sustainably.

1.2. Takeaways from the Congress

1.2.1. GSMA Ministerial programme 2025

The GSMA Ministerial Programme 2025 was held under the theme “**Bridging trust and governance in the digital age.**” The programme brought together 188 delegations representing 148 countries and 40 intergovernmental organisations. Critical discussions took place across multiple high-level sessions, and key themes emerged that defined the trajectory of the digital economy, AI, connectivity, and regulation in the years to come.

The opening session set the stage for the week, addressing the complexities of global tech governance in an age of rapid innovation and geopolitical tensions. The GSMA’s Chief Regulatory Officer, John Giusti, outlined the mobile industry policy priorities – attracting network investment, unlocking the opportunities of 5G, closing the usage gap, and fostering inclusive and responsible AI innovation.

High-level speakers emphasised the need for global cooperation while ensuring that governance frameworks keep pace with emerging technologies. The call for harmonised policies, transparency, and responsible innovation resonated throughout the discussions. The session underscored the role of governments in fostering innovation-friendly regulations while addressing challenges such as cybersecurity, digital inclusion, and ethical AI deployment.

Various presentations from industries were held on the above sub-themes during the sessions.

These were the following:

Global tech governance: A call for collaboration – The session addressed the complexities of global tech governance in an age of rapid innovation and geopolitical tensions. The GSMA’s Chief Regulatory Officer, John Giusti, outlined the mobile industry policy priorities – attracting network investment, unlocking the opportunities of 5G, closing the usage gap, and fostering inclusive and responsible AI innovation. Speakers emphasised the need for global cooperation while ensuring that governance frameworks keep pace with emerging technologies. The call for harmonised policies, transparency, and responsible innovation resonated throughout the discussions. The session underscored the role of governments in fostering innovation-friendly regulations while addressing challenges such as cybersecurity, digital inclusion, and ethical AI deployment.

AI: From trust to transformation – AI was present in all discussions at the Ministerial Programme. The combination of AI and 5G is projected to contribute \$18 trillion to the global economy by 2035, transforming industries and societies, but trust remains critical in its adoption. The balance between AI-driven innovation and the need for ethical, responsible deployment was at the forefront of discussions. It was established that AI governance must be principles-based, focusing on transparency, accountability, and fairness. Additionally, participants highlighted the necessity of global cooperation to prevent fragmentation of AI regulation, ensuring a harmonised approach that fosters both innovation and societal trust. Building confidence in AI-powered applications will be essential as AI becomes more embedded in critical sectors.

The future of regulation: Adapting to complexity – during the “Ask the Regulator” session, heads of national regulatory authorities (NRAs) focused on how regulators can keep pace with the rapidly evolving digital landscape. Regulators are at the frontline of translating policy into action, implementing rules to create fair, competitive, and consumer-friendly markets. However, regulating an industry that is evolving faster than ever remains a significant challenge. The call was clear, that regulation must evolve, breaking free from traditional silos and embracing a holistic approach to accommodate converging markets and new technologies.

It was also strongly indicated that the next wave of transformative technologies, such as satellite, AI and quantum computing, will redefine connectivity. Still, governance frameworks are needed to mitigate risks, from widening digital divides to cybersecurity threats. Discussions concluded that

human-centric policies, international collaboration, and responsible governance will be crucial to harness the full potential of emerging tech.

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AI's dual role as a challenge and a solution to the climate crisis was also discussed. AI rapidly increases energy demands, with data centres accounting for 1.5 per cent of global electricity use and growth. However, AI has enormous potential to enhance energy efficiency, balance renewables on grids, and optimise resource use across sectors, such as agriculture and mining. AI will be net positive for climate action, but scaling innovation requires financing, skills development, and responsible governance.

Sessions highlighted that connectivity is the foundation of the digital economy. However, continued investment in the underlying infrastructure is vital as internet usage grows and applications demand more seamless connectivity.

1.2.1.1. GSMA Roundtable Session: “Reforming USFs in Africa to increase their effectiveness in closing the Digital Divide

Governments in Africa and worldwide have introduced policies to incentivise internet infrastructure rollout in underserved locations and stimulate consumer demand for services. In Africa, at least 51 of the 54 countries in the region have introduced or are introducing the universal service fund (USF) mechanism to deploy mobile broadband infrastructure in commercially unviable areas. The intention is to bridge the connectivity gap. In all cases, USFs are partly or entirely financed through contributions from telecom service providers.

To understand the performance of USFs in Africa, the GSMA conducted extensive study. This entailed a survey of stakeholders, including USF authorities, government ministries, and service providers

from 40 countries across the region. The study's results highlight structural and operational challenges requiring urgent attention from policymakers and USF authorities. These findings provide recommendations for essential policy reforms to enhance the impact of funds on the connectivity gap.

Based on the connectivity trends over the past decade, the usage gap would take another 30 years to close in Africa. The digital divide will only widen as many Africans as possible, and the rest of the world, benefit from 4G and 5G technologies. In Africa, at least 51 of the 54 countries in the region have introduced or are introducing the USF mechanism to deploy mobile broadband infrastructure in commercially unviable areas. The intention is to bridge the connectivity gap. In all cases, USFs are partly or entirely financed through contributions from telecom service providers.

Insights from the survey in developing the GSMA/ATU 2023 report show that many African USFs are underperforming and have become ineffective tools for closing the connectivity gap. Given the urgency to close the coverage and usage gaps, it has become imperative to either reform critical structural and operational aspects of USFs across Africa to improve their effectiveness or discontinue the USF approach. Political will among governments and policymakers is a crucial first step in the journey to USF reform. This is fundamental for improvements to the USF legal framework, where required, and adherence to the core principles of an effective and successful USF – namely, accountability, clarity, service neutrality, transparency, sustainability and visibility.

When well implemented, USF can effectively bridge the digital divide by promoting connectivity in underserved areas. USFs are commonly funded by levies on telecommunication service providers and other government funding sources. These funds are then used to subsidise service providers' expansion of networks and services to rural and underserved areas.

However, despite a decrease and a low percentage of coverage gap (16%), there is a significant usage gap in Sub-Saharan Africa (44%), with many people not using digital services due to a lack of digital skills, low literacy rates, and affordability issues.

In addition, several challenges hinder rural connectivity in Sub-Saharan Africa, including inadequate infrastructure, high deployment and maintenance costs, low population density, limited electricity supply, and digital skills gaps. Overcoming these challenges requires comprehensive strategies involving government policies, private-sector investments, and community participation.

Recognising the potential of USFs to contribute significantly to increasing rural connectivity in Sub-Saharan

Africa, the GSMA and ATU session on Bridging the Digital Divide: Leveraging Universal Service Funds for Enhanced Rural Connectivity in Africa has been designed to present the results of the analysis of the latest GSMA study on the use of USF in sub-Saharan Africa, and:

- Discuss policy and regulatory reforms required to improve the efficiency and effectiveness of USFs in meeting their intended objectives of increasing rural connectivity in the region.
- Find out if existing USF models address rural coverage and connectivity in the region and what the key challenges are to this extent.
- Identify the best, innovative approaches and best practices for utilising USFs to address the specific connectivity needs of rural communities.
- Share experiences, challenges, and success stories from different countries in leveraging USFs for rural development.
- Foster collaboration and partnerships among stakeholders, including government agencies, telecom operators, civil society organisations, and development partners.
- Identify strategies to promote digital literacy and skills development among the underserved communities.
- Identify strategies to promote the use of USFs for the deployment of new and emerging technologies such as 5G, IoT, and satellite services.
- This roundtable will bring together a diverse range of participants, including government officials from ICT Ministries, Regulatory bodies, and USF Coordinators, Mobile industry leaders, including network operators, service providers, and technology vendors, Academics and Researchers working in the field of ICTs and Communications, and development partners supporting connectivity projects and the implementation of USF programs.

In a related development, GSMA Africa, in collaboration with the African Telecommunications Union (ATU), hosted a roundtable on USF reforms during MWC 2025. The discussions focused on the need for clear objectives, strategic project selection, and transparent fund management to maximise the impact of USFs.

While USFs are designed to bridge Africa's 60% mobile internet usage gap, many remain underutilised. With an estimated \$700 billion in potential GDP gains by 2030 from increased connectivity, urgent reforms are needed to unlock their full potential. The GSMA Africa team announced plans to pilot transformative USF reforms in select African markets to drive real impact and create a model for other countries to follow.

The Chairperson of the Portfolio Committee on Communications and Digital Technologies, Honourable

Khusela Diko, attended the USF GSMA Roundtable session as part of the panel. She indicated that the Universal Service and Access Fund (USAF) houses substantial funds earmarked for ensuring universal access and service to electronic communications services, primarily focused on infrastructure initiatives. The effectiveness of this fund needs to be reviewed and linked to an integrated approach to digital infrastructure development aligned with critical digital and future skills development.

South Africa emphasised that the country is busy with a policy shift to enhance the use of the USF. A Digital Development Fund (DDF) is currently being established to significantly reduce the digital divide. She highlighted that the Department of Communications and Digital Technologies (DCDT) was promulgating the DDF Bill for this purpose.

The proposed amendment included improvements regarding the current universal service and access framework. The terms “universal access” and “universal service” would be substituted with “universal digital services.” A specific provision has been made to ensure that the policy on universal digital services is updated at least every two years to promote a digital economy and digital society.

The establishment of the DDF is seen as an important lever to high-speed broadband and a response to the National Development Plan: *“By 2030, ICT will underpin the development of a dynamic and connected information society and a vibrant knowledge economy that is more inclusive and prosperous. A seamless information infrastructure will be universally available and accessible. It will meet the needs of citizens, businesses and the public sector, providing access to the creation and consumption of a wide range of converged services required for effective economic and social participation – at a cost and quality at least equal to South Africa’s main peers and competitors.”*

It was also emphasised that the South African DDF would replace the Universal Service and Access Fund and will focus on the extension of infrastructure, end user and equipment subsidies, support digital illiteracy and skill development, funding to extend access to digital services, and support for innovative use by SMMEs of ICTs to improve productivity, sustainability, and competitiveness. Furthermore, the DDF will be established to manage the universal service funds and the rollout of programmes to address the digital divide and ensure all South Africans’ universal access to infrastructure and services.

The introduction of the DDF would contribute to all technological advancements, evidenced by the 4IR. Therefore, the DDF and the other amendments will contribute substantially to innovation and become South Africa's new driver of economic growth. The fund would promote innovative approaches to establishing broadband networks and ensure universal connectivity to enable a more inclusive digital economy. It must also ensure that the most deprived communities can participate in the digital economy.

1.2.1.2. Global Tech Governance: Rising to the Challenge

Harmonised governance frameworks in cybersecurity, internet governance and data privacy are crucial to supporting investment, protecting and empowering citizens, and driving the digital economy. However, achieving international cooperation and alignment is lengthy, even when the needs are urgent. This GSMA Ministerial Programme opening session reflected on the successes, challenges, and opportunities in global digital policymaking and considered the growing importance of public-private partnerships in solving complex global issues.

As the digital economy expands, the need for harmonised governance frameworks in critical areas such as cybersecurity, internet governance, and data protection has never been more urgent. These frameworks are essential for stimulating investment, protecting citizens, and empowering people worldwide. However, international cooperation and alignment remain complex and lengthy despite pressing global challenges.

The GSMA Ministerial Programme sessions explored global digital policymaking's successes, challenges, and opportunities. It also highlighted the growing importance of public-private partnerships in solving complex global issues. This session aims to foster dialogue and collaboration to advance tech governance by bringing together policymakers, industry leaders, and experts.

1.2.2. Ericsson Panel Discussions

1.2.2.1. Unlocking Africa: Public-private collaborations for digital transformation and effective spectrum policies - Ericsson

On the sidelines of MWC 2025, Ericsson hosted a pivotal session, "Step into Africa's Digital Future." The session offered a deep dive into the transformative potential of digital advancements across

Africa, featuring a lineup of industry leaders and experts who shared their insights on driving digital growth and innovation in the region.

The first panel delved into the critical role of public-private collaborations in driving digital transformation across the continent. The panellists included:

- **Mothibi Glenview Ramusi**, South African Telecoms, Broadcasting, and Postal Sector Regulator.
- **Lacina Kone**, Smart Africa Director General.
- **Alain Maupin**, Vice President and Head of Customer Unit Central East Africa at Ericsson Middle East and Africa.

The panel discussion emphasised the need for a streamlined framework for effective spectrum policies, encouraging investment and innovation. The panelists highlighted the significance of platforms like Smart Africa in reinforcing digital policy dialogue among policymakers, regulators, and the private sector. They explored strategic partnerships and collaborations as essential components for unlocking Africa's potential and driving sustainable digital growth.

The Chairperson of the Independent Communications Authority of South Africa (ICASA), South Africa, is currently chairing the G20 and welcomed its most recent summit last week. ICASA is a key member of the Communication Regulators' Assembly of Southern Africa (CRASA) and Smart Africa's African Council of Regulators.

The Smart Africa Alliance is based on the premise that Africa's digital transformation relies on sustained private investment and government commitment to leverage these and show leadership.

The panel Members concurred that mobile broadband is a key developmental lever for the continent. It boosts economic growth and enables social inclusion:

- On that note, when the 5G evolution became a reality on the continent, some doubted its relevance and considered it a potential risk to widen the digital divide.
- On the contrary, 5G brings key efficiencies directly affecting how 4G performs better and continues its mission to empower the largest number to access life-enhancing services.
- We partner with governments to discuss the best way to leverage technology. We share our vision of digital transformation from 5G to 6G, incorporating key AI and network security features.

- We invite them to our country's focused technology events, run knowledge-sharing sessions with their relevant departments and regulators, and engage with them on a bilateral level to discuss key policy issues.
- When it comes to entirely reaping the benefits of 5G:
 - Of course, a minimum of 100 MHz in mid-bands has been a mantra of our industry.
 - Nonetheless, reasonable pricing of substantial spectrum amounts awarded on flexible terms in the E-Band for 4G and 5G backhauling is crucial for Africa.
 - Finally, 2G/3G sunset offers further opportunities to reallocate frequencies already in use.

Thanks to platforms like Smart Africa, this session with you has been a great opportunity to reinforce the digital policy dialogue between policymakers, regulators and the private sector. As Ericsson, we are delighted to have you with us today and look forward to continuing our collaboration to accelerate Africa's digital transformation.

1.2.2.2. Step into Africa's Digital Future" session

One of Ericsson's roundtables, "Step into Africa's Digital Future" session at MWC 25, also provided a comprehensive overview of the opportunities and challenges shaping Africa's digital landscape. Through insightful discussions and expert perspectives, it became evident that collaboration between the public and private sectors and effective policy frameworks will be critical to unlocking Africa's digital potential. As Africa stands on the brink of a digital revolution, sessions like this highlight the path forward and inspire collective action toward a brighter, more connected future for the continent. Let's foster partnerships and encourage innovation to help transform Africa's digital ambitions into reality.

1.2.3. Huawei Panel Discussions

1.2.3.1. Huawei Hosts Digital Economy Development Forum

"From Insight to Impact for a Thriving Digital Economy." The forum was well attended by policymakers from multiple countries, heads of international industry associations, consulting institution experts, and industry leaders.

The speakers examined the opportunities and challenges in the digital economy and discussed the importance of solid digital infrastructure, strong industry collaboration, and open and collaborative

digital ecosystems. Many also provided their own recommendations on digital strategy and roadmaps for high-quality development of the global digital economy.

Industry adoption of digital technologies like AI, 5G-A, and green energy is accelerating as more applications drive productivity increases. The digital economy has also become a major driver of global economic growth, and more than 170 countries have released dedicated national strategies on digital development.

Digitalisation remains uneven between various regions, but many report seeing some common challenges:

- How can governments stimulate digital demand to drive economic growth?
- What is the best roadmap for building digital infrastructure?
- How should governments measure the development of the digital economy?

The national development of a high-quality, sustainable digital economy has also become a common concern for many governments.

There was an indication that there are five ways ICT infrastructure can drive digital economy development, based on current success stories they've studied from across the globe. His five takeaways were:

- A thriving digital economy needs solid digital infrastructure, especially ubiquitous connectivity.
- The digital economy grows faster when governments and industries accelerate their own digital and intelligent transformation.
- Future-oriented industry policy brings vitality to the digital economy.
- More digital talent needs to be trained to overcome the growing global talent shortage plaguing the digital and intelligent sectors.

Open and collaborative industry ecosystems make digital economies more resilient. Ecosystems create a space for industry players worldwide to collaborate and innovate. This space lets them build on each other's strengths. A thriving digital economy needs a wide array of digital technologies. No single country or company can do it all alone. That's why Huawei has long supported cross-region collaboration and robust industry ecosystems.

1.2.4. Conference Tour: Huawei Both

1.2.4.1. Powering schools, hospitals, and homes with the Smart Village Solution

Governments worldwide are accelerating the shift toward AI-driven intelligent public service upgrades. During his speech, Li Junfeng, Vice President of Huawei and CEO of Global Public Sector Business Units (Bus), emphasised that the digital transformation of governments is crucial for enhancing national capabilities and improving the well-being of citizens. AI is emerging as a key driver in this digital transformation. The extensive use of the DeepSeek model signifies technological advancement and a fundamental shift in production dynamics. Huawei collaborates with international partners to capitalise on opportunities and propel digital governments towards a smarter and more sustainable future.

Delivering electricity and ensuring basic human needs in rural areas are often challenging. Apart from high site construction costs due to a scattered population, typical equipment usually requires expertise to set up and can be easily damaged or stolen.

The Smart Village Solution offers a cost-effective, low-power, and easily deployable option for rural series pole sites to overcome the challenges of connecting rural areas. Combined with RuralStar technology, which uses wireless backhaul to provide internet connectivity even without line-of-sight, this solution enables extensive network coverage. This connectivity facilitates rural education and healthcare transformation through digital classrooms and clinics. The Smart Village Solution's simplicity, affordability, and ease of deployment make it a replicable model for smart village construction, particularly in challenging environments like desert plains, mountainous regions and rural valleys.

As a result, remote villages can be connected to the rest of the world through the Internet. With electricity and free access to information, villagers can receive better education, improve medical standards, and enhance their livelihoods.

1.2.4.2. Zambian Case Study – Smart Villages

At the forum, Koh Hong-Eng, Global Chief Public Services Industry Scientist of Huawei, invited various guests to discuss national digital transformation. Felix C. Mutati, Minister of Technology and Science of Zambia, mentioned that the Smart Villages Project aligns seamlessly with Zambia's Vision 2030. Through smart education, we empower the next generation with knowledge and equip them

with the digital skills required to thrive in the fourth industrial revolution. The digital transformation of Zambia is not only about technology — it is about the people, progress, and potential. It is about empowering the communities, bridging inequalities, and creating a future where every Zambian can contribute meaningfully to national development.

Huawei adheres to “Accelerating the Intelligence of Governments and Public Services, Building a Cognitive Society Together” and constantly broadens its business scenarios. It is advancing the extensive use of digital technologies to achieve the vision of “excellent governance, better livelihood, and heightened economy” and supporting governments globally in establishing an equitable, efficient, and sustainable digital society.

During MWC 2025, the Ministry of Technology and Science of Zambia joined hands with Huawei to launch the global showcase of Zambia’s smart village at the government industry forum, Secured, Sovereign & Synergised Network-Cloud Strategy Accelerating National Digitalisation. Over 200 industry leaders and technical experts in public services gathered at the event to discuss national transformation paths driven by digital technologies.

In July 2024, the first smart village site in Zambia was successfully delivered after 30 days of construction. This project provided the village with electricity and Internet access and achieved telemedicine and remote teaching.

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As a result, remote villages can be connected to the rest of the world through the Internet. With electricity and free access to information, villagers can receive better education, improve medical standards, and enhance their livelihoods.

1.2.4.3. Huawei City Intelligent Twin

Smart city construction is rapidly advancing, and the growing intricacy of urban management necessitates fresh architecture and technologies. City Intelligent Twins represent a future-oriented, next-gen digital city technical architecture. Based on cloud, network, computing, big data, AI, IoT and industry applications, this architecture helps build an integrated intelligent system featuring cloudnetwork-edge-device synergy. It integrates all-domain data for city governance, ensures continuous operations, and enables smooth running and self-optimisation for the city. It aims to make the city smarter, services more diverse, and residents happier.

1.2.4.4. Empower Digital and Intelligent Transportation by Huawei

Smart transportation is no longer a grand goal or abstract theory: it's already being implemented today. Standing at the forefront of innovation in this new field, choose Huawei to bring sensing to transport systems, combining computing and storage power to drive infrastructure forward.

Working with customers and partners, Huawei emphasised its commitment to laying a digital and intelligent foundation for comprehensive transportation and logistics systems. Remote, automated management and control smooths the connection of people, vehicles, goods, yards, and stations. Such a foundation promotes secure and efficient operations across supply and industry chains, extending what each sector can achieve. This smart approach to transportation boosts the capacity of what can be delivered, in turn increasing the contribution that transportation services make to the economy.

1.2.4.5. Huawei Digital Government

As information technology penetrates all social and economic aspects, countries worldwide have incorporated digital transformation into their national strategies. Digital infrastructure, including cloud computing and network infrastructure, is the key to supporting national digital transformation. The computing power system of the former guarantees the orderly operation of the digital space, while the communication channel of the latter provides highly efficient information transmission. In terms of cloud infrastructure construction, as the world's only provider of full-stack cloud data centre solutions, Huawei has helped governments worldwide build over 700 green, intelligent, secure and reliable cloud data centres. Regarding network infrastructure construction, Huawei provides solutions covering four scenarios: Government Backbone Network, State and City Government MAN, Government Campus Network, and Inclusive Connectivity to achieve "Internet for All".

Huawei believes a unified network and cloud are key to accelerating national digitalisation. Countries can foster digital transformation, enhance governance efficiency, and promote economic development by establishing robust digital infrastructure with cloud computing and network infrastructure. Huawei's solutions, including the National Government Cloud and network solutions, help governments build secure, reliable, and energy-efficient data centres, enabling digital services for citizens and businesses.

1.2.4.6. Huawei National Data Resources

Huawei also displayed its national data resource solutions to help governments build robust digital infrastructures and manage data for improved services. These solutions include cloud data centres, data storage solutions, and network infrastructure. They also offer services for big data and AI applications, helping governments with digital transformation and smart city initiatives.

1.2.4.7. Huawei Smart City

Huawei showcased its next-gen smart city solutions at a roundtable event themed "Building City Intelligent

Twins to Accelerate City Intelligence". Government industry experts from Asia Pacific, Latin America, Africa, and China gathered to discuss hot smart city topics to facilitate government digitalisation and accelerate city intelligence.

Smart City construction is rapidly advancing, and the growing intricacy of urban management necessitates fresh architecture and technologies to promote the ongoing upgrade of city digitalisation. City Intelligent Twins represent a future-oriented, next-gen digital city technical architecture. Based on technologies such as IoT sensing, high-speed connectivity, cloud computing, big data, and AI foundation models, this architecture helps build an integrated intelligent system featuring cloud-network-edge-device synergy, integrate all-domain data for city governance, ensure continuous operations, enable smooth running and self-optimization for the city, and ultimately make the city smarter.

Huawei offers national data resource solutions to help governments build robust digital infrastructures and manage data for improved services. These solutions include cloud data centres, data storage solutions, and network infrastructure. They also offer services for big data and AI applications, helping governments with digital transformation and smart city initiatives.

The innovative city intelligent twins architecture is Huawei's latest achievement in core smart city technologies and applications. It helps city managers optimise the city's operational efficiency, improves residents' quality of life, and provides powerful support for the sustainable development of smart cities.

Based on the city's intelligent twins architecture, Huawei works with global partners to build new digital infrastructures to achieve efficient city governance and accelerate city intelligence. In practice, Huawei has successfully improved the collaboration efficiency of urban management departments by 40% and the efficiency of handling public opinion incidents by 30%.

During the conference, Huawei showcased advanced solutions such as smart city IOC, government services, and city foundation models, striving to enhance city governance. The IOC integrates the functions of city perception, operation management, collaborative command, and decision-making analysis, and is the "centre" of city operation management. The government services solution leverages the AI assistant to deliver pleasant, intelligent government service handling experiences. City foundation models are applied to city operations, management, command, and services to improve quality while increasing efficiency, building a foundation for city intelligence. One noticeable project is the smart city initiative between the eThekweni Municipality and Huawei.

1.3. Some of the Policy and Legislation imperatives for South Africa

In a related development, GSMA Africa, in collaboration with the African Telecommunications Union (ATU), hosted a roundtable on USF reforms during MWC 2025. The discussions focused on the need for clear objectives, strategic project selection, and transparent fund management to maximise the impact of USFs.

While USFs are designed to bridge Africa's 60 per cent mobile internet usage gap, many remain underutilised. With an estimated \$700 billion in potential GDP gains by 2030 from increased connectivity, urgent reforms are needed to unlock their full potential. The GSMA Africa team announced plans to pilot transformative USF reforms in select African markets to drive real impact and create a model for other countries to follow.

When well implemented, USF can effectively bridge the digital divide by promoting connectivity in underserved areas. USFs are commonly funded by levies on telecommunication service providers and other government funding sources. These funds are then used to subsidise service providers' expansion of networks and services to rural and underserved areas.

However, despite a decrease and a low percentage of coverage gap (16%), there is a significant usage gap in Sub-Saharan Africa (44%), with many people not using digital services due to a lack of digital skills, low literacy rates, and affordability issues.

In addition, several challenges hinder rural connectivity in Sub-Saharan Africa, including inadequate infrastructure, high deployment and maintenance costs, low population density, limited electricity supply, and digital skills gaps. Overcoming these challenges requires comprehensive strategies involving government policies, private-sector investments, and community participation.

Recognising the potential of USF to contribute significantly to increasing rural connectivity in Sub-Saharan

Africa, the GSMA and ATU session on Bridging the Digital Divide: Leveraging Universal Service Funds for Enhanced Rural Connectivity in Africa has been designed to present the results of the analysis of the latest GSMA study on the use of USF in sub-Saharan Africa, and:

- Discuss policy and regulatory reforms required to improve the efficiency and effectiveness of USF in meeting its intended objectives of increasing rural connectivity in the region.
- Find out if existing USF models address rural coverage and connectivity in the region and what the key challenges are to this extent.
- Identify the best, innovative approaches and best practices for utilising USF to address the specific connectivity needs of rural communities.
- Share experiences, challenges, and success stories from countries leveraging USF for rural development.
- Foster collaboration and partnerships among stakeholders, including government agencies, telecom operators, civil society organisations, and development partners.
- Identify strategies to promote digital literacy and skills development among the underserved communities.
- Identify strategies to promote USF's use to deploy new and emerging technologies such as 5G, IoT, and satellite services.
- This roundtable will bring together a diverse range of participants, including government officials from ICT Ministries, Regulatory bodies, and USF Coordinators, Mobile industry leaders, including network operators, service providers, and technology vendors, Academics and Researchers working in the field of ICTs and Communications, and development partners supporting connectivity projects and the implementation of USF programs.

1.4. Reflections on the MWC 2025 from the South African point of view

South Africa has a well-developed digital policy environment, covering all the critical aspects of policy required to support the growth and development of the sector. The National Development Plan (NDP) includes a detailed analysis of the digital sector. More recently, SA Connect, the Presidential Commission on the 4th Industrial Revolution and the Digital Economy Masterplan have all articulated the government's strategy on digital development. The National Policy on Data and Cloud provides more details on a critical area of digital development, while work is underway to refine the government's policy on digital government and digital services.

It is recommended that the following steps be taken to address these challenges and support the investment and growth of South Africa's digital economy:

- Ensuring that policies and decisions create a sustainable investment environment. They should be based on a consistent approach to the sector, reflecting policy trade-offs and analysing the likely impacts.
- Spectrum policy that promotes investment includes a robust oversight framework to complete the digital migration and a market-led and collaborative approach for sunseting 2G and 3G networks.
- Measures to provide more effective deployment, energy supply, and security protection for telecoms networks.
- Support for digital adoption through revising the tax on imported devices and accelerating digital skills training.
- Implementation of the Digital Masterplan and other components of the sector policy framework, with a mandate from the President and the Cabinet, and dedicated programme management and resources.
- Reform of the regulatory sector framework to support the growth of the digital economy, including a level playing field and a collaborative approach to newer technologies (e.g. Over the Top (OTT) players, low earth orbit (LEO) satellites, AI and cloud computing.
- Speedy implementation of the Electronics and Communications Act (ECA) amendment.

These policy recommendations will accelerate mobile broadband adoption and close the usage gap among adults by one-third by 2030.

1.5. Future recommendations on travel to international policy engagement forums

- The committee must develop guidelines and a framework to inform international engagements such as the Mobile World Congress (MWC), Internet Governance Forums (IGF), and many other critical forums influencing policy and legislation.
- Parliament will need to agree on funding mechanisms allowing committee Members to attend these critical forums for developmental purposes and influence legislation from local and global perspectives.
- Some of the funding sources for the international conferences could be through the associations within the sector, with clear ethical considerations agreed upon to eliminate any conflict, regulatory and legislative capture.
- The Committee to determine the reporting template for post-conferences and how some learnt experiences and recommendations will be implemented in the portfolio and the sector.
- The Committee's Content Advisors and Researcher will ensure that Members are fully prepared with concept notes outlining the conference's themes and detailed expected outcomes for comprehensive reporting purposes.

Report to be noted.

3. Report of the Portfolio Committee on Communications and Digital Technologies on the Oversight Visit to Gauteng Province from 24 to 28 February 2025, dated 27 June 2025

1. Introduction

Chapter 4 of the Constitution of the Republic of South Africa, 1996 and Section 55, outlines the powers of the National Assembly, while the Rules of the National Assembly further explicate these powers and functions assigned to Portfolio Committees. The mandate of the Portfolio Committee on Communications and Digital Technologies (PCCDT) is to legislate, conduct oversight over the Executive, and facilitate public participation is thus derived from these sources. In executing its oversight functions, the Committee oversees the Department of Communications and Digital Technologies (DCDT), the Government Communications and Information Systems (GCIS) and State organs reporting to the Departments.

The Committee's oversight approach entailed paying particular attention to the South African Post Office (SAPO), Postbank and the South African Broadcasting Corporation (SABC). It also enabled the Committee to physically assess various projects implemented by Entities such as the Broadband Infraco (BBI), the Universal Service and Access Agency of South Africa (USAASA) and Universal Service Agency Fund (USAF) and Sentech to monitor and oversee the implementation of key national priorities that underpin the NDP. The Committee also hosted panel discussions focusing on the programmes of the GCIS and the Media Diversity Development Agency (MDDA), specifically to focus on the sustainability of community print media. The Committee also conducted oversight over community media projects in the Sedibeng District Municipality.

This was the Committee's third oversight for the 7th Parliament and enabled a hybrid approach to the engagements of the DCDT and the GCIS programmes. For this oversight, the Committee intended to focus on specific areas of its portfolio and also engaged both the broadcasting and print media sector associations, union and ununionised representatives at SAPO, including retrenched workers and SABC staff complement at Auckland Park. The Committee's targeted oversight visited the SABC, GCIS, MDDA, the SAPO, Postbank Outlets, Community Media and Digital Terrestrial Television (DTT) and South African Connect value chains.

The Committee's oversight was mainly concentrated in Gauteng Province, the Johannesburg and Tshwane Metros, and the Sedibeng District Municipality.

2. Committee Delegation

The Delegation comprised ten (10) Members and six (6) Support Staff Members.

Name	Designation	Organisation
Ms KLN Sangoni	Chairperson and Leader of the Delegation	African National Congress (ANC)
Mr SI Subrathie	Member of the Committee	
Mr OM Mathafa	Member of the Committee	
Ms TK Bodlani	Member of the Committee	Democratic Alliance (DA)
Mr. SG Vilakazi	Member of the Committee	
Mr KP Sithole	Member of the Committee	Inkatha Freedom Party (IFP)
Mr CV Shongwe	Member of the Committee	uMkhonto we Sizwe Party (MKP)
Ms C Makhubele	Member of the Committee	
Mr A Sauls	Member of the Committee	Patriotic Alliance (PA)
Ms S Gcilishe	Member of the Committee	Economic Freedom Front (EFF)
Apologies Mr Mrara	Member of the Committee	African National Congress
Support Staff		
Mr M Erasmus	Committee Assistant	Parliament
Dr J Medupe	Content Advisor	Parliament
Mr M Maleka	Content Advisor	Parliament
Mr T Ngoma	Committee Secretary	Parliament
Ms H Salie	Committee Secretary	Parliament
Mr J Molafo	Communications Officer	Parliament

3. Summary of significant issues emanating from the Oversight Visit

There are several key themes that emanated from the oversight, with a number of recommendations.

3.1 Funding of the Portfolio

The need for adequate sector funding to create market certainty was evident throughout the oversight. The broadcasting sector fully supports the sustainability of the public broadcaster and emphasises the quicker resolution of the legislative framework, which, amongst other things, will provide guidance

on the funding model, including a fit-for-purpose licence collection model. As a Shareholder, the Minister must bring the Committee into confidence and ensure the DCDT provides clarity on the details of the agreement between SABC and Sentech, including on the R154 million virement funds, which were meant to cover six months of the debt to Sentech. The Minister must ensure that a debt repayment agreement between SABC and Sentech is concluded.

Through the BRP interventions, the government clearly committed to turning around the SAPO and providing an initial bailout of R2.4 billion. The R2.4 billion has since been appropriated, and the final R3.8 billion has yet to be allocated by the National Treasury (NT) to complete the rescue plan.

The Committee welcomes the approval of the deployment of R150 million, which will sustain SAPO's operations for the month of March 2025, however, DCDT seems unstructured in its approach to engaging the National Treasury to release the rest of the funds.

The Minister in the Presidency should ensure adequate resources, including funding, are allocated to implement the Government Communications System effectively. This should also involve streamlining the 30 per cent ad spend from government departments and the private sector.

3.2 Sustainability of Community Media

Community Media's sustainability remains critical to upholding the democratic dispensation. Encouraging media plurality ensures that the most marginal voices remain heard. This will ensure that there are platforms for participation in the democratic processes and economic activities.

Community media the most accessible or preferred platform for citizens to access government information and services.

The proliferation and preservation of indigenous languages can be achieved through the sustainability of the community media sector. It also provides platforms for communities to elevate local issues and amplify local voices and content.

The Minister in the Presidency should explore alternative funding sources, such as collaboration with the private sector, amongst others, to increase grant funding. The Minister in the Presidency must also devise incentives and tax breaks for Community Media that services the country's remote areas. The application and renewal of licences by Community Media to ICASA should be simplified and less cumbersome, and financial assistance extended for community broadcasters towards licence costs. There should be continuous training and capacity development of community projects. The

digitalisation of the Community Media sector must be fast-tracked to ensure full participation of communities in the digital economy.

The Minister in the Presidency should collaborate with relevant structures to ensure that the GCIS is capacitated to provide access to information in all the official languages. A clear strategy for collaborating with Community Media should be developed to achieve information and digital inclusivity.

3.3 Duplication of Government Services

Throughout the oversight, the duplication of government services was glaring. The resolution of duplication of services in implementing broadband access and services requires intra- and intergovernmental collaborations to minimise costs and wastage, foster interoperability, and efficiently use government resources.

3.4 State of Readiness for the Digital Switch-Over

The Committee urges the Minister to conclude and finalise the digital switchover date. Dual illumination is a burden for Sentech because obsolete analogue technology requires costly in-house capability to service. There are no longer spare parts to maintain and support the analogue technology, which is a liability for Sentech revenues and counterproductive to government intentions for establishing a digital economy.

3.5 Progress on the implementation of Phase 2 of SA Connect

The digital inclusivity will need to be all-encompassing and cover the rural communities. The zero rating of educational and business content and acceptable minimum bandwidth standards, including affordability of access to the Internet, must be considered in order to catalyse the uptake and usage. There must be a clear alignment between SA Connect and the beneficiaries of the spectrum and the attached social obligations because telecommunication companies, by virtue of, are an integral part of SA Connect's success.

The Post Office has fibre footprints to all its branches, and the Minister should prioritise infrastructure sharing to benefit all Department programmes. The SAPO fibre footprint provides an added advantage to the SA Connect programme. It can also complement SAPO's turnaround strategy by providing a much-needed avenue for improved revenue generation. It is important that SA Connect prioritises connectivity of rural areas given that those are the most impoverished with no economic

opportunities. This calls for the finalisation of the State Digital Infrastructure Company (SDIC), which, if not finalised, is likely to create more instabilities for Sentech, SITA and BBI, thereby negatively impacting the delivery of the flagship projects. This will also assist SITA in effectively coordinating its mandate on digitalising government services to the broader outcomes of the flagship project.

3.6 Participation of SMMEs in the Sector

DCDT and GCIS must prioritise using local SMMEs and promote Enterprise development within local communities. DCDT Minister should ensure that SMMEs are entrenched in the role of providing last-mile connectivity as a means to foster economic growth and job creation and support local entrepreneurship. SMMEs must be developed in the communities that they serve. SMMEs must be provided with the appropriate technical, business and project management skills and every effort must be made to ensure that they are paid in a timely manner for their services.

3.7 Collaboration and Partnerships

The lack of collaboration and partnerships emerged prominently during the oversight, and this will need to be addressed across several entities. For example, there seems to be no sharing of information and resources in implementing the SA Connect project, which has led to the duplication of services in some areas.

The SABC's turnaround is highly dependent on its ability to provide compelling content. With its financial challenges, it has become apparent that it can only achieve this goal through collaboration and partnerships, including with commercial broadcasters, who are also its competition. The Committee implores the Minister to monitor these partnerships to ensure that they protect public broadcasting to the benefit of all citizens.

It is the responsibility of the Minister in the Presidency to ensure that community media, an important function of the democratic state, is nurtured through meaningful partnerships and collaboration with both the public and private sector actors.

GCIS and DCDT must ensure clear collaboration on various cross-cutting issues impacting both departments' service delivery mandates.

3.8 Legislation, Policy and Regulatory Reforms

The ICT legislation and policies are outdated and negatively impact the Department and its Entities. A case in point is legislation that hinders ICASA's role in regulating the sector in the interest of the public and promoting investment and competition. The Committee can initiate legislation where necessary, but it would be futile if this is done in a policy vacuum. Therefore, the Committee urges the Minister of DCDT to provide certainty by expediting policy reforms. The Committee is sympathetic to the sector's appeal for a robust policy and regulatory environment and will continue to apply pressure on the Leader of Government Business to provide leadership on critical policy bottlenecks. Regulations and ethical use of AI remain critical areas that must be addressed.

The Minister in the Presidency must ensure that 30 per cent ad spend set aside for government advertisement must be expedited, and the relevant policy and legislation must be promulgated urgently. The finalisation of the White Paper on the set-aside of the ad spend will need to be expedited.

3.9 Accountability, Monitoring and Evaluation

The sector must be proactive and resolve the challenges that beset most State-Owned Entities and not adopt the development by-events approach. The Committee will continue to hold both Ministers accountable for the efficient use of public funds and commitments made through the APPs and Strategic plan processes. The Committee will continue using its oversight instruments, such as the physical oversight, to complement the accountability process.

4. Oversight Visit Day One—24 February 2025: SABC Auckland Park

4.1 Committee Briefing Meeting

The Chairperson indicated that the SABC and SAPO requested closed sessions due to the sensitivity of competition and commercial matters. The Members received a briefing in a closed meeting ahead of the oversight visit.

The Content Advisor briefed the Committee about the proposed programme for the week and the intended outcomes of the Gauteng oversight visit. He noted that only the strategy part of the SABC and SAPO presentations was earmarked for the closed sessions.

The Committee Secretary advised Members on the applicable rules for the Committee to permit Entities to present under in-committee meetings.

Members deliberated and resolved to permit closed engagements of parts of the presentations that are commercially sensitive for the said Entities.

4.2 Overview



The DTT and switch-over deadline remain major concerns for the Committee. The public broadcaster raised concerns that transitioning to digital broadcasting services could negatively affect its audience and viewership. The public broadcaster is central to the digital migration programme because of its public mandate and broadcasting footprint across South Africa. The

Committee must assess the SABC's state of readiness before the final digital switch-over date.

Since 2008, the SABC has not increased TV licence fees. The National Treasury (NT) should present to the Committee the extent to which there are plans to ensure parity to economic conditions when it comes to the cost of TV licences. The Committee expects to receive briefings from various sector bodies and players on relevant industry statistics and partnerships for compelling content.

Therefore, the purpose of the SABC's oversight was to engage stakeholders in a way that could empower the Committee to derive value that can assist both the government and the SABC in achieving service delivery goals.

During the SABC's oversight, the Committee received a briefing from DCDT and the SABC on the success of the SABC turnaround strategy after the government bailout of R3.2 billion. The SABC also briefed the Committee on the state of readiness for the digital switchover.

The Committee hosted a roundtable with broadcasting stakeholders on the SABC's funding and sustainability. The funding of the public mandate remains a burden on the SABC, and the Committee engaged stakeholders on how to resolve this challenge. The Committee was also briefed on the SABC's financial model and the required capacity to maintain the proposed Direct-To-Home (DTH) solution, including the plan for the revenue sharing model.



4.2.1 Chairpersons' Opening Remarks

The Chairperson noted that Committee undertook the oversight visit to the SABC in line with the legislative responsibilities for oversight over State institutions and the industry. She informed stakeholders that the highlight of the visit at the SABC, among others, is to put minds together with industry to better understand the funding challenges and explore globally available models for the SABC. The visit was considered urgent because the SABC is facing numerous challenges and is a strategic State institution that must thrive and compete in the digital era. Exploration of a mixed funding model that includes adequate appropriation and leverages licence collection and ad revenue. She highlighted that the NT is moving away from bailouts for State-Owned Entities (SOEs) and further expressed concerns about the withdrawal of the SABC Bill. She explained that the SABC Bill was tabled in the 6th parliament, written submissions were received, and the Committee conducted oral submissions. The 7th Parliament continued with the process after the Minister reintroduced the Bill.

The Chairperson indicated to the audience that discussions between the Speaker, Deputy President, and the Minister are ongoing. She noted that the Committee has not been able to achieve its objectives to process the SABC Bill as it had hoped and will provide feedback should there be any update on the Bill.

4.2.2 Opening Remarks by the Chairperson of the SABC Board

On behalf of the SABC, the Chairperson of the SABC Board welcomed the Committee to the meeting and indicated that he was looking forward to a robust and productive meeting because resolving the Corporation's challenges is critical and urgent.

The Chairperson indicated on behalf of the Board in appreciation of the Committee that because the SABC belongs to South Africa, it is humbled by the Committee to prioritise the SABC and involve the industry to come up with a collective solution for the public broadcaster to deliver on its existential mandate.



4.3 Briefing and Engagement with Sector Stakeholders

The Deputy Director General (DDG), Entity Oversight presented to the Committee on the policy landscape in the digital age, and the presentation addressed (i) the Introduction, (ii) Approaches to Public Service Media (PSM) Funding, (iii) Key Policy Considerations, and (iv) Conclusion.

The DCDT official further updated the Committee regarding the audit for the R3.2 billion bailout, indicating that correspondence was submitted to the Committee requesting a deferral on the agenda item: *Final audit on the outcome of the turnaround strategy of the public broadcaster after the R3.2 billion bailout.*



Firstly, the DDG provided a detailed background on how the Committee was unsatisfied on how the money had been spent and gravitated towards instituting an investigation to determine whether the funds were utilised for the rightful purpose.

The Department approached the Auditor-General of South Africa (AG) in May 2024 to assist with a full audit report on utilising the funds. The AG agreed, subject to the completion of outstanding audits of the Portfolio. The Department awaits an engagement letter from the AG. The DDG agreed that while the SABC turnaround plan was 97 per cent implemented, what was alarming was the lack of traction on the part of the SABC revenue generation, and licence collection continues to decline to this day.

The NT questioned whether the six pillars of the turnaround strategy linked to the bailout were fit for purpose. The current turnaround strategy builds on a previous strategy, which the Department continues to monitor through monthly meetings with the SABC.

The Committee further received briefings from:

- 1) **The National Association of Broadcasters (NAB)** on:
 - Overview of the NAB and the Regulated Broadcasting Sector
 - NAB State of Industry Report: PwC survey results
 - What can be done to foster a sustainable and vibrant broadcasting sector
 - Concluding remarks
- 2) **The Broadcast Research Council (BRC)** presented on the Audience and Currency Research
- 3) **The SABC** in a closed Session on:
 - Background & context
 - Compliance with policy prescripts

- SABC mandate – strategic challenges & financial sustainability
- Analogue Switch Off (ASO), including state of readiness
- Financial sustainability, including proposals



4.1 Observations from Presentation from the SABC, Including the In-Committee session

The Committee delegation made observations and noted:

- the apology from the NT;
- that due to the lack of appropriate funding for the public mandate, there might be a likelihood of SABC commercialisation the public mandate for its survival;
- with serious concern that the NT was running rogue on the SOEs;
- with appreciation for the improvements in governance, audit and turnaround of the SABC;
- and applauded the attitude of the current SABC leadership;
- and commended the GCEO for being a commanding African at the helm of the SABC-she is a testament to capable leadership at the public broadcaster;
- and is cognizant of the role of the NT in resolving the financial challenges of the public broadcaster, including the consideration of a household levy;
- with concern that the NT is not supportive enough in the protection of State Entities;
- with concern that despite receiving an R3.2 billion bailout, the SABC still faces financial instability due to factors such as declining TV licence collection, reduced advertising revenue and rising operational costs;
- that the strategy to encourage people to pay for TV licences has not worked with an 86% evasion rate;
 - that the envisaged increase will deter more people from paying because of the current economic conditions;
- that there is a disjuncture between cost of collection of? and the licence fees not being raised;
- with concern that the lack of development of compelling content results in audience and therefore revenue decline;

- with disappointment that the R1.2 billion content investment from bailout money did not yield desired results and generate revenue for the SABC;
- that the liquidity crisis at the SABC is severe and therefore appeal to the Committee that there should be urgent discussions on how to secure immediate funding to keep the broadcaster operational;
- with great concern that the SABC is in urgent financial crisis and struggling to pay salaries and sustain its operations;
- with concern that revenue is lost partly due to ‘Must Carry’ regulations that benefit private broadcasters at the expense of the SABC;
- with concern that the SABC may not be fully prepared for digital switchover;
- that the SABC needs urgent policy intervention and financial support;
- that the Board and the SABC are frustrated over delays in finalising the funding model, and request the Committee to urgently intervene; and
- that the SABC needs to secure partners to develop compelling content and be innovative in advertising to remain competitive.



4.2 Observations from Presentations by the SABC and Stakeholders

The Committee delegation made observations and noted:

- that the broadcasting ecosystem is complex with dynamic interplays and inter-relationships requiring agile and fit-for-purpose policy and regulation;
- with concern that non-regulation of streaming services continues to profit foreign-owned companies at the expense of a licenced and regulated industry which includes the public broadcaster;

- that any further delays in finalising the digital switchover is creating market uncertainty;
- with concern that if the digital switchover is not handled correctly, the SABC will lose a significant portion of its audience; that the association advocates for ease of restrictions on foreign ownership because the current economic conditions are constrained and not conducive for broadcasters to reinvest and be inventive;
- with concern that the results produced by the BRC under-represent the coverage of community radio stations, which has a direct impact on their ability to source funding and generate advertising revenue;
- however note the limitations by BRC on funding to improve the ratings specifically for the community media sector;
- that Radio Audience Measurements (RAMS) is a representative sample of the radio universe in South Africa and not an ideal tool for measurement to serve the community radio sector;
- with concern that RAMS data collection relies solely on telephonic interviews, which have become increasingly difficult because of the resistance by audience;
- that BRC is working on a new methodology for collection of RAMS data which will be available in quarter one of the current financial year;
- and welcome the proposal by BRC to facilitate for development of a community radio measurement tool;
- that engagements between MDDA and BRC are ongoing but not yielding required results because of a lack of funding to establish a fit-for-purpose study specific to the community media;
- that indicative data sets necessary to measure audience in community media require financial resources, which MDDA does not have;
- that funding is required to measure non-reference viewing such as social media network platforms and other OTT players, including streaming from mobile devices;
- with concern that the Over-The-Top (OTT) players are eroding the traditional broadcaster's revenues as they are not regulated in South Africa;
- that most staff at community broadcasters work on a voluntary basis;
- with concern that there was still no clarity to the sector on the processing of the SABC Bill;
- that the survival of public broadcasting is in the interest of all South Africans, including business;
- with concern that the Committee has not been able to undertake an international tour to, among others, explore best practices in legislation in countries that promote revenue generation for

public service media; with great concern that the White paper process remains delayed while the sector continues to suffer; with greater concern that the public is not taken into consideration in the White paper process because any undue delays in the finalisation of the process have detrimental effects on economic growth;

- that community broadcasters are in protest of the laborious administrative responsibilities attached to licence compliance conditions;
- that ICASA is collaborating closely with community broadcasters to ease compliance with licence conditions in terms of administrative responsibilities;
- applaud ICASA for regulating in the interest of promoting plurality; and
- that individual members of NAB are willing to engage the Committee further on issues that are not of consensus with the Association should they be afforded an opportunity.

It is the duty of the Portfolio Committee to help transform the country and to resolve long-standing service delivery challenges such as the conclusion of the BDM policy with the urgency required. As a matter of principle, the Committee is competent and able to develop laws of the country if necessary and will not be held to ransom by the Executive.



4.3 Recommendations from Engagements with Stakeholders at the SABC

The Committee delegation made the following recommendations:

- that the Minister ensures that the Department does not hold the sector at ransom by not providing guarantees for a conducive and enabling broadcasting and ICT policy environment;

- that the DCDT should audit all stockpiles of STBs in post offices and provide quarterly updates to the Committee, including statistics on distribution and activations. During the Eastern Cape oversight, the Committee witnessed numerous stockpiles at post office outlets that were not even inventoried;
 - that the DCDT should also report on the status of preparations towards digital switchover of the remaining 4 provinces;
 - and report on progress to date towards the High Court judgment between eTV and the Minister and the Department that there is a lack of accurate data to support the digital switchover;
- that the Minister (DCDT) should, in the interim, consult widely to develop a new strategy to encourage people to pay for TV licences;
- that the Minister provide a full report of the unused SABC assets and the plan on the selling of those assets to offset the Public Broadcaster's financial challenges;
- that the Deputy President and both the Ministers (DCDT and Minister in the Presidency) ensure that all government departments that owe television licences lead by example and urgently reconcile their accounts with the public broadcaster;
- that the Minister ensure that the DCDT expedite policy development to regulate OTTs, especially in the wake of misinformation, disinformation and malinformation;
- that the Minister and the DCDT provide regular updates to the Committee on policy guidelines to curb misinformation, disinformation and malinformation;
- that the Minister of DCDT, working together with the Minister in the Presidency, future-proof the community media sector as an important pillar of democracy;
 - together the Departments invest towards creating audience ratings for community media so that data informs policy certainty for the sustainable public service media sector;
- that the Minister of DCDT and the Minister in the Presidency ensure that a percentage of government advertising spend is ringfenced for the SABC and community media;
- that the Minister of DCDT should encourage the SABC to ensure content relevance to the audience because digital natives make up the majority of the country's population?;
- that the Minister of DCDT ensures greater due diligence before licences are granted to community media by ICASA; that the Minister of DCDT ensures ICASA reports on strategies to reduce the administrative burden attached to licencees for community broadcasting and print media and that the Minister of DCDT ensures ICASA reports on public outreach campaigns to educate the public on ICASA regulations affecting community broadcasters;

- that the Minister of DCDT ensures that the FPB appears before the Committee to present on the regulation mandate of Video on Demand (VoD) market and interpretation by the broadcasting sector;
- that together with other State organs, both the Ministers of DCDT and the Minister in the Presidency should collaboratively increase awareness campaigns on misinformation, disinformation and malinformation;
- that the Auditor-General, when ready, updates the Committee on progress towards investigating the reasons for SABC not to gain revenue traction following the R3.2 billion bailout;
- that BRC should address the unreliability of their audience data for community radio stations where possible;
- that BRC should reconcile all data related to the Analogue Switch-Off (ASO) and in relevance to the High Court ruling and present to the Committee before the end of 2nd term; and should also present the new methodology for collecting RAMS data sets before the end of 2nd term.

The Committee notes the appeal by the SABC for *‘urgent discussions on how to secure immediate funding to keep the broadcaster operational’* and calls on the NT to respond to all Portfolio funding challenges and will engage the counterpart Committees of Parliament to seek a resolution. At the least, the NT should provide the SABC with guarantees to be able to source investment elsewhere.

The Committee appeals to the Speaker of the National Assembly and the Deputy President to urgently pronounce on a way forward for processing the Bill because further delays will impact the sustainability of the public broadcaster.

The Committee urges the Minister to fast-track policy development to create market certainty and stimulate further sector investment. The SABC, together with the sector associations, submitted to the Committee their frustrations with the delays in concluding key policies and legislation to stimulate competition and attract investment to the sector.

The Committee further urges the Department to solicit partnerships to collaborate to develop strategies to produce compelling content and an innovative advertising strategy for the SABC to remain competitive. The Committee will continue to monitor the extent to which collaboration and partnership strategies add value to the SABC.

Further, the Committee will:

- host a joint Committee sitting with the Standing Committee on Appropriations, as well as the Committee on Finance and GTAC, to understand better and find solutions for funding challenges of Portfolio Entities;
- engage the Portfolio Committee on Trade and Industry to share views and progress towards the regulation of OTT platforms;
- will endeavour to engage with all the broadcasters beginning the next term of Parliament; and;
- will continue to hold the Executive accountable for the country's policy direction.

4.4 SABC Presentation on Compelling Content and Other Revenue Generation Strategies

The SABC had requested the Committee delegation to allow it to present strategic matters in a closed session. While noting that it usually conducts its work transparently, the Committee resolved to host an in-committee meeting with the SABC in accordance with NA Rule 284 to protect the public broadcaster's competitive edge. For this report, the observations and recommendations from section 4.1 above are incorporated.

4.5 RoundTable on Partnerships for Compelling Content: Primedia and Multichoice



Multichoice presented on:

- Overview of Multichoice and Sector Contributions
- BEEE Status
- Fiscus Contribution
- Content Partnerships
- Concluding Remarks

Primedia presented on:

- Scene Setter Video
- Audiences Before and After Primedia Content
- Delivering New Audiences
- Converting Audiences to Ad Income
- Incremental Value to the SABC by Migrating Primedia Clients to SABC
- Value of Marketing Exposure Given to SABC by Primedia

4.5.1 Observations from the Round Table with Primedia and Multichoice

The Committee delegation made observations and noted:

- that its role remains that of fostering partnerships to resolve the broader legislative, policy and regulatory challenges facing the broadcasting sector;
- and recognise that the survival of public broadcasting is in the interest of the entire broadcasting sector;
- that the financial sustainability of the SABC is paramount to the work of the Committee and, by default, the Sector and South Africa;
- with concern that SABC and Multichoice have been unable to find a resolution on Must-Carry Regulations since 2022;
- with relief that the previous Must-Carry agreement remains in place until such time as the deadlock is resolved;
 - that the previous agreement dictated that Multichoice pays for SABC signal distribution costs on their platform to the tune of about R45 million;
 - that, based on the same agreement, SABC retains all the advertising revenue;
- that Multichoice remains committed to resolving the impasse in negotiations and complying with the regulations;
- is encouraged by the posture of Primedia and Multichoice about their emphasis on supporting the SABC to improve its revenues and regain audiences;

- that the Minister must ensure that any partnerships with the public broadcaster are mutually beneficial to all parties, especially public broadcasting, because it primarily benefits the citizens;
 - that the SABC's biggest value will always remain its large audience and preservation of local languages, the Minister must use this as leverage to the benefit of public broadcasting;
- that the benefit for collaboration among all broadcasters is the value proposition to co-produce unique and compelling South African content, which presents opportunities for global revenue generation and creates sustainability and growth in the sector;
- that the success of public broadcasting in South Africa is dependent on sustainable sector partnerships;
- and applaud the spirit with which broadcasters are willing to work together for the benefit of South Africans; and
- that Primedia funds the production of content in partnership with SABC.

4.5.2 Recommendations from the Round Table with Primedia and Multichoice

The Committee delegation made the following recommendations to the Minister:

- must ensure that all partnerships add value to the sustainability of public broadcasting;
 - that collaboration should be with an intent to grow revenue and audience equivalent to that of commercial broadcasters;
 - that such partnerships and collaboration should be to empower youth, schools, women and people with disabilities, especially in townships and rural areas;
 - that such partnerships and collaboration should focus on content creation that responds to contemporary issues facing youth and intends to strengthen the public broadcaster to fulfil the public mandate;
 - that the collaboration positions South African content globally using the public broadcaster as leverage;
- ensures that ICASA continues to enforce and monitor multilingual programming of content in South Africa;
- ensures that ICASA, where possible and without encroaching on commercial arrangements, provides guidance to the Committee on the Must Carry deadlock between SABC and Multichoice;
- ensures that all broadcasters adhere to the prescribed quotas on advertising regulations; and

- ensures that Multichoice and the SABC endeavour to collaborate more, especially concerning bidding for sports broadcasting rights for the benefit of all South Africans;

Multichoice should consider (i) quantifying the value of carrying SABC channels on their platforms and submitting it to the Committee together with the Social Report with school programme sponsorships; and (ii) submitting a proposal on alternative TV licence collection models to support public service media.

All broadcasters should consider this as an additional measure, and in the spirit of partnerships and support for the growth of local content, leverage existing capacity and systems infrastructure to collect levies for local content development and, more importantly, work together to realise the digital switchover.

4.6 Interaction with SABC Workers at Auckland Park Offices

On this part of the programme, the Committee delegation intentionally interacted directly with ordinary workers instead of unions. The aim was to recognise the workers who keep the SABC alive despite all the challenges it continues to face. It was also an opportunity for the workers to engage directly with Members of Parliament on personal contributions and challenges they faced as staff of the public broadcaster.

On instruction from the GCEO, the Board, management, and the media staff exited the building to give courtesy to staff to engage with the Committee delegation freely. The workers were permitted to share their experiences of working for the public broadcaster, with some displaying frustration, resentment, and pain for what they or their colleagues suffered. What was evident to the delegation was that the SABC employees, despite their complaints, were dedicated and patriotic towards the mandate of the organisation. The Committee acknowledged that it was because of the resilience, commitment and dedication of workers that the public broadcaster could still fulfill its mandate.

There was a sense of pride and commitment to returning the public broadcaster to its former glory. However, workers decried that they are often overlooked when voicing their ideas and inputs to strategy. The communication channels do not enable staff to have influence.

Workers further raised the following concerns:

- thanked the Committee for availing itself to ordinary workers
- that the funding model of the SABC and sustainability remain a challenge
- sales staff not receiving commission for successful deals

- no salary increases
- frustrated at the lengthy instability at the SABC
- operational inefficiencies
- lack of leadership concern for staff well-being
- low workers morale
- financial instability
- lack of support for regional offices

The Committee expressed its appreciation for the submissions of SABC staff and concern that staff grievances had not been addressed.

4.6.1 Observations from the Interaction with SABC Workers

The Committee delegation made observations and noted:

- and thanked the support staff of the Committee for compiling a dynamic programme that enabled Members to engage with ordinary staff;
- that the staff of SABC have played an important role in the survival of the organisation;
- and appreciated that workers waited for a long time but were patient enough to have an audience with the Committee;
- that it is intentional for the Committee to engage workers at SABC to understand the experiences of ordinary workers better, so that it can attempt to assist in resolving them;
- with further appreciation for the sacrifices and dedication of workers to the democratic cause;
- with concern that some of the workers have been through years of difficulties and continue to carry the scars;
- with further concern that it is organisational challenges that ultimately impact workers the most;
- with further concern that there has been no salary increase in a while at SABC;
- with major concern that some of the sales staff have not been paid their commission;
- that sometimes retrenchments or similar processes, such as Section 189 that happened at the SABC, can be agonising and a lot harder on the workers that remain in the organisation;
- with appreciation that financial sustainability is at the top of workers' minds;
- that workers are loyal to SABC, hence they are still there diligently supporting the operations;
- that the broken broadcasting ecosystem can only be saved through compelling content;
- that advertising revenue cannot sustain the public broadcaster without other interventions;

- that workers appealed to the Committee to continue to support the Board and make input to the process to develop a funding model for the public broadcaster so that the SABC is sustainable;
- that the sales workers are failing to sell content that is not lucrative;
- that the real problem is that the SABC lacks compelling content;
- that there is a dependency on 3rd parties such as Primedia, who conflicted to do business with the SABC since the current CEO is the former Chairperson of the Board for the Public Broadcaster;
- that there is a general lack of communication and consideration of input from workers by management;
- that the sales workers remain disgruntled because they do not get a commission for bringing deals to SABC;
 - vehicles are not serviced;
 - lack of responsive support from management;
- that the funding of the public mandate is a necessity for the SABC to survive;
- that the SABC contributes to skills development in the country, having produced leading personnel that its competitors poach;
- with concern, therefore, that the SABC is struggling to produce compelling content despite all the talent it has at its disposal; and
- that it is the lack of leadership and political will that is contributing to the demise of the SABC.

4.6.2 Recommendations from the Interaction with SABC Workers

The Committee delegation made the following recommendations that the Minister should:

- ensure that the Department and the Board enable workers to have platforms to express themselves and receive feedback, and be able to track submissions;
- engage the Board and Executive of the SABC and report back to the Committee on mitigations, including how inputs by workers to the strategy of the organisation are considered;
- ensure that HR provides, in writing, the employee structure and samples of contracts of the sales team;
- ensure that the Board explores alternative cost-saving measures other than retrenchment;
- ensure that management institutes employee wellness programmes for workers who underwent trauma as a result of the insolvency of the SABC, the subsequent Parliament

Inquiry into the Fitness of the SABC Board, and the Turnaround Strategy, which included the Section 189 retrenchment processes;

- ensure that the SABC Board considers unearthing talent from within the organisation to produce compelling content using SABC infrastructure to reduce outsourcing costs; and
- ensure that the Department oversees the Primedia partnership with the SABC and report back to the Committee.

The Committee will create platforms to engage with SABC workers and other Entities in the Portfolio and provide anonymity for submissions.

The Committee commits to normalising the engagement of ordinary workers in future oversights to assess workers' well-being continuously.

The Committee further urges the Minister to engage the SABC Board and Executive to prioritise workers and endeavour to report back to the Committee on mitigations to resolve workers' concerns.

5. Oversight Visit Day Two—25 February 2025: SAPO, Pretoria City



The Committee delegation conducted oversight at the SAPO's main offices in Pretoria. First, the Business Rescue Practitioners (BRPs) briefed the Committee on SAPO's sustainability and the implementation of the partnership strategy.

The Committee Chairperson made opening remarks and noted that the discussions would revolve around the business rescue process and its turnaround strategy. She noted that SAPO's financial challenges, including staff reductions and branch closures, would also be investigated during the oversight. She noted that the National Treasury was invited to attend the day's proceedings but had apologised. She indicated that the Committee's concern was that NT had not yet provided the funding government had committed to SAPO.

The DDG Entity Oversight gave the introductory remarks on behalf of the Shareholder as summarised below:

- partnerships and collaborations were the main areas of disagreement between the DCDT and BRPs;
- private partners are important to grow revenues at SAPO;
- there is general support for the strategy with reservations about the strategic partners;

- the awaited R3.8 billion bailout was meant for the following budgetary processes:
 - R492 million to creditors
 - R1 billion for operational shortfall
 - R2.307 billion meant for investment into the operations of the post office
- that the BRPs have not gone out and solicited business partners, and this was the main contention for the Shareholders. As a result, a Joint Task Team was formed to solicit partners;
- the Development Bank of South Africa (DBSA) has been appointed as the Transactional Advisory Service responsible for identifying partnerships for the Joint Task Team; and
- the first deliverable for the Joint Task Team will be to reassess the unsolicited partnerships that have already tendered proposals.



5.1 Presentation by the BRPs

The BRPs and the Acting Group CEO requested to make a presentation under a closed session (in-committee meeting) according to NA Rule 284. The presentation covered the following topics:

- The Business Rescue process and developments to date
- Presentation on the Turnaround Strategy document:
 - Reinvesting in assets for optimal national utilisation
 - Partnership Strategy
 - Leveraging and integrating assets to catalyse digitalisation
 - Pathway to implementation of the roadmap for a more prosperous and equitable future

- o Unified citizen-centric service delivery through shared infrastructure
- o Transformed into an equitable and inclusive society

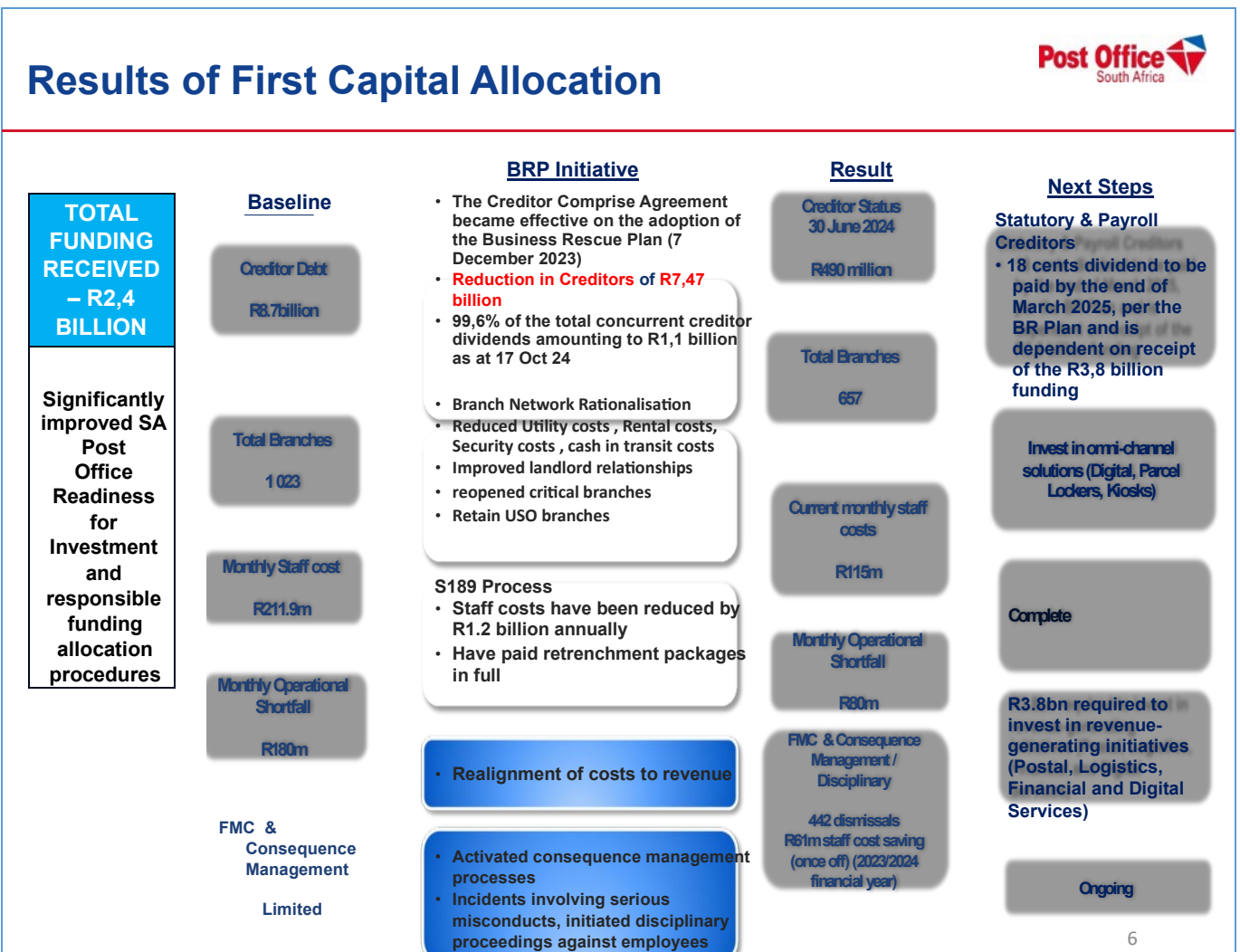


Figure 1 above summarises the BRP achievements to date after the R2.4 billion injection from the NT. There is still an expectation of an additional bailout of R3.8 billion to finalise the Business Rescue to the SAPO.

5.1.1 Observations from the Presentation by the BRPs

The Committee delegation made observations and noted:

- the apologies from the Minister, Deputy Minister and the Director General;
- further apologies from the NT as they were hosting the G20 Summit;
- that Ms Fathhima Gany and Mr Lenny Govender have been approved as the Acting CEO and CFO, respectively;
- with concern that the line of authority is blurred with these C-suite appointments and that the Committee will struggle to hold SAPO accountable;
- with appreciation that SAPO staff believe in the continued existence of the organisation;
- that SAPO realised an R9 billion reduction in debt because of the Section 189 process as well as the rationalisation of post office branches, among other bailout conditions;
- that all these measures were meant to contain the cost of business with the view of turning the post office around;
- with great concern that SAPO revenues remain under immense strain, with only five outlets profitable from the remaining 657;
- that SAPO continues to have operational cash shortfalls with negative monthly cash flows;
- with concern that had it not been for the austerity measures introduced by the BRPs, SAPO would have been liquidated as of October 2024 and is currently running in preservation mode;
- with concern that the liquidation of SAPO will negatively impact on the citizens, particularly those in rural areas;
- that the issuing of new SASSA cards could have been an opportunity for the post office to recover;
- that according to the BRPs, the SASSA social grant distribution was at a loss of 30 rand per transaction for SAPO, including losses due to criminal activities;
 - that the carrying of the SASSA grant increased the risk profile of SAPO and, therefore, higher insurance costs;
- that the Act in its current form is limiting the potential of SAPO;
 - the mandate of the post office does not consider technological advances;
- note the positive work done thus far by the BRP, including reducing debt liability, increasing net assets and reducing operational costs;

- and that the area of contention for the Committee has always been what the future of the post office will look like and [does it allow a business rescue that will sustain the future strategy of the post office – not sure what this bit means];
- with great concern that the engagements between the NT and DCDT are dragging while SAPO continues to be desperate;
- that the NT instructed the DCDT to find funds within the Portfolio that can be contributed towards the rescuing of SAPO;
- that the DCDT should further consider how it can consider virements that the NT would approve as a means to source the R3.8 billion bailout;
- that the DCDT is assisting the BRPs to apply for the Temporary Employee Relief Scheme (TERS) from the Department of Labour and UIF to support the salary bill;
- that information is not shared with (or ‘by’?) the BRPs on the progress towards securing the R3.8 billion;
- that negotiations between the creditors, DCDT and the BRPs are ongoing to defer the 18 cents to the rand for 12 months, allow SAPO to solicit credible partnerships; and
- that as a result the Minister was able to secure R150 million from monies that were originally allocated for the SA Connect programme and were subsequently vired to SAPO as working capital. The money will be made available by 3rd March 2025.



5.1.2 Observations from the Presentation by the Acting GCEO for the In-Committee Session

As a procedural matter, the Chairperson officially informed the Committee that the BRPs and SAPO executives requested the session be a closed briefing, citing ongoing litigation that could be affected by public disclosures. The BRPs and SAPO also indicated that the content was commercially sensitive in nature and that confidential negotiations with potential business partners needed to be protected.

Some Committee Members of the delegation questioned the necessity of a closed session, arguing for greater transparency in SAPO's financial recovery process. However, the Committee delegation granted the closed session due to financial sensitivity concerns.

The Committee delegation made observations and noted:

- and welcomed the feedback from the Shareholders and BRP for a detailed presentation on how to rescue the business of SAPO;
- and credited the Acting GCEO with?;
- and commended the progress made in some parts of the BRP plan;
- with disappointment that questions from Members were not adequately responded to;
- with concern that the fibre infrastructure at SAPO branches is not being utilised effectively and optimally;
 - that, if branches are properly utilised, can be beneficial to the SA-Connect programme;
- that the ability to meet the 20c commitment to creditors may be compromised;
- that the unique value proposition is most welcomed;
- that SAPO has suffered brand erosion over the years;
- with concern that the 'power of reach' that was presented mentioned only 20% of rural post offices and is contrary to the mandate of SAPO, which is meant to serve primarily the poor;
- that SAPO requires reskilling and appointment of new skills to deliver on the turnaround plan;
- with great concern that staff morale at SAPO was at its lowest during the Section 189 process;
- with concern that, according to the BRP's post on the Section 189 process, the staff morale was on a positive trajectory but has been a roller coaster since;
- with great concern that staff have not received increases since 2020;
- that there are plans to provide support to staff through partnerships, specifically to address staff challenges;
- and welcomed the involvement of DBSA;

- with concern that the BRPs have turned down potential partners in the past; ○ that the criteria for sourcing partnerships may be set too high;
- that strategies to retain clients are not yielding positive results because of the unreliability of SAPO;
- that BRP fees and expenses totalled R192 million against a backdrop of savings of R10 billion which is less than 2% of the value add;
- with concern that the BRPs misled the Committee in that there is no explicit mention in the Companies Act that enables the plan to be amended;
- with serious concerns that the Companies Act renders the executive powerless once the organisation is under business rescue. This is quite limiting when it comes to the accountability of the Executive over the entity;
- the Act does allow that amendments to? should not be substantial in nature and should not be done outside a consultative process in place;
- that the appointment processes were not responded to, and the Executive makeup of SAPO must still be clarified in writing;
- with concern that there are libraries for the Blind in South Africa which rely on SAPO infrastructure for the distribution of equipment;
- that the Motor Vehicle Licensing remains the largest revenue generator for the post office, albeit for 30% of all branches;
- with great concern that the SAPO infrastructure is unable to process basic business needs;
- that SAPO turnaround heavily relies on digitalisation and that SAPO has engaged NEMISA and other State entities to capacitate the post office with technology and skills;
- with great concern that relations between SAPO and Postbank are strained, even though they report to the same Shareholder;
- with greater concern that about 5000 units of? per day are no longer being distributed as a result, as reported by a member of the public during the SAPO Oversight, who is a Representative of the ICT Chamber on Persons with Disabilities; and
- that the Board will be appointed by the Minister in consultation with the BRPs to ensure a smooth transition.



5.1.3 Recommendations from the Presentation by the BRPs and the Acting GCEO

The Committee delegation made the following recommendations:

- that there is a need for continued engagement with ordinary staff;
- that the Minister should improve the relationship between SAPO and Postbank and foster a collaborative culture;
- that BRPs should improve the competitiveness of SAPO;
- that the omnichannel strategy can be beneficial to SAPO's competitiveness;
- that the Minister should do all possible to resuscitate SAPO so that it can deliver on its universal access mandate;
- that the Minister must ensure that SAPO urgently receives working capital;
- that the DCDT fast-tracks the digitalisation of SAPO processes and to attract more youth;
- that the BRPs must ensure there are adequate security systems to guarantee data integrity;
- that the Minister ensures that the unincumbered assets are not sold without due regard;
- that the Minister ensures that SAPO staff is not retrenched only to be replaced by consultants;
- that the Minister ensures that SAPO delivers on the 20c commitment made to creditors;
- that emotions should not overrule a pragmatic approach to resolving SAPO challenges, and the sense of entitlement by SAPO to demand that government does business with the Post Office, which has a poor service record;
- that SAPO must undergo a rebranding exercise and improve its brand reputation;
- that unanswered questions of the Committee must be responded to in writing, including:
 - provincial breakdown of the turnaround plan in terms of sustainability of branches;
 - the models used to select branches for rationalisation;
 - a detailed report of profit-making branches;
 - the 5-year analysis report to identify branches for rationalisation;
 - role of the NT on branch rationalisation;

- where the power of authority and accountability resides now that the Acting CEO and CFO have been appointed and the BRPs are still present;
- the process for the appointment of the Board;
- the overview of the Executive structure;
- the Terms of Reference for the BRPs (to determine the length of rescue);
- the legal interpretation of the BRP Act about the amendment to the Plan;
- contingency plans to rescue SAPO and the R3.8 billion government bailout;
- the feasibility and viability of the BRP plan;
- presentation on various scenarios;
- the plans to protect, retrain and stabilise human capital at SAPO;
- DCDT posture towards realisation of the BRP Plan;
- that SAPO should fast-track the upskilling of staff to implement eservices;
- that SAPO should fast-track the zero-rated plan to provide email addresses to citizens;
- that the DCDT should prioritise employee engagement during the BR process;
- that the Minister urgently restore relations between SAPO and Postbank by way of facilitating the conclusion of Service Level Agreements (SLAs) and report back to the Committee in three months upon adoption of this report;
- that the BRPs will be rescheduled to appear before the Committee to respond to the unanswered questions; and
- that the ICT Chamber of Persons with Disabilities should make submissions to the Committee on the challenges to distributing material for Persons with Disabilities; and
- that the DCDT, as well as ICASA, engage with the ICT Chamber of Persons with Disabilities and prepare a presentation to be presented during the scheduled engagement with BRPs and SAPO.



5.2 Submissions by SAPO Unions: Democratic Postal and Communications Union (DEPACU), South African Postal Workers Union (SAPWU) & Communications Workers Union (CWU), the non-Unionised Total Cost To Company and Retrenched Workers

The DEPACU and CWU are the main labour unions that represent workers at SAPO and are affiliated to the South African Federation of Trade Unions (SAFTU) and the Congress of South African Trade Unions (COSATU), respectively, and submitted as follows:

- Mr Kgodisang Bokaba from DEPACU represented both SAPWU and DEPACU, which jointly represent the majority (50%+1) of the workers in the organisation;
- the delegation was also accompanied by the General Secretary and President of DEPACU and the General Secretary and Regional Chairperson of SAPWU ;
- CWU was represented by Mr Nathan Bowers (National Bargaining Corordinator) and accompanied by the fulltime shopsteward at SAPO; and
- the non-unionised workers were represented by Mr Sani Mavier, who manages the Total Cost To Company Union (TCTCU).

In her introductory remarks, the Chairperson of the Committee introduced her delegation and gave the background and reasons for the oversight, which included: giving a voice to the workers; providing a platform for the unions to give proposals on possible interventions by the Committee; hear issues that the unions would wish the Committee to take up with the DCDT and the BRPs; and

respond to the concern of the Committee that the R3.8 billion should be preceded by a widely consulted and supported future strategy of SAPO.

She outlined what was expected from the unions and the non-unionised staff during the interaction. She further indicated to the meeting that a request was made by the retrenched workers to make submissions to the Committee, and the members had unanimously agreed to the request.

5.2.1 Submission by CWU

The CWU made the following submissions and proposals that:

- it is unhappy about the government/BRPs/Parliament processes towards resolving challenges at SAPO;
- corruption is rife at SAPO, and this undermines the mandate of USO;
- SAPO is the most mismanaged Entity of the State, dating years back;
- there are people and organisations that want to undermine the mandate of SAPO;
- that CWU has warned several administrations over the years about the downfall of SAPO;
- SAPO is a ticking time bomb, and the government has failed to protect the workers' interests;
- it was the property companies (SAPO landlords) that brought the liquidation instructions to the high court;
- during the high court's final liquidation hearings, former Minister Gungubele committed on behalf of the government to an R3.8 billion rescue bailout for SAPO;
- the union denounces the R150 million as too little to have a meaningful impact;
- that government and the Minister of DCDT must live up to the commitment made at the high court hearings;
- that if SAPO can be allocated what was promised, it can bring back the retrenched workers;
- it protests being excluded during interactions of the Committee with the BRPs because CWU is a stakeholder and a representative of workers of SAPO;
- in the past, CWU submitted proposals on how to save SAPO, which were never considered;
- the Post Office Amendment Act is not being enforced;
- CWU was given a mandate by its constituency to communicate to the Committee that workers remain extremely unhappy at SAPO;
- it proposed to the Committee that if SAPO were to be, at the very least, given R2 billion of the R3.8 billion, it would advocate for payment of 18 cents to the rand on what is owed to workers on their provident fund;

- that the post office cannot be on austerity measures indefinitely at the expense of the worker's rights;
- with great concern that workers rights are being undermined;
- workers are constantly exposed to occupational health hazards and flouted policies;
- most communities are frustrated about the lack of service delivery by SAPO;
- SAPO is understaffed and overworked, which impacts service delivery operations;
- the health and mental state of workers are being compromised;
- there is an urgent need to streamline operations at depots; and
- that some of the closed branches were making profits yet were inexplicably shut down.

5.2.2 Submission by DEPACU/SAPWU

The unions made the following submissions and proposals that:

- the cutting of the wage bill is not the solution to rescue SAPO;
- there have been too many business plans in the past that focused on the retrenchment of workers but failed to turn around SAPO;
- the order of the court included a commitment by government to provide an R3.8 billion bailout and also proposed the retrenchment of 7000 workers;
- on 7 December 2023, a plan was adopted by BRPs, and the union was opposed to the retrenchment of workers;
- it was disappointed in the decision by the 6th Parliament to support the retrenchment of workers against the advice of the union;
- while the real problem is SAPO's inability to generate revenue and hence the downward trajectory, and yet retrenchment of workers is always a priority for all turnaround strategies of the past;
- it is concerned about the state of workers at SAPO because they are overworked and exhausted;
- as a result, BRPs were given a platform to retrench without processes and a clear strategy;
- the current managers do not have the requisite skills, but somehow survived the retrenchment process;
- the Owner Drivers Scheme (ODS) which aimed to provide business opportunities for retrenched workers. However, the scheme was not compliant with the PFMA, and there were no policies to support the scheme;

- that the scheme ended up becoming an illegal platform for managers to conduct business with SAPO while employed by the same organisation;
- some ODS drivers are paid more than others;
- there are some workers who received retrenchment letters yet are still in the employ of SAPO;
- while some managers were fired, some are still employed by SAPO and operating in other countries;
- operations of the Post Office are suffering as a result of employee shedding, and the criteria for retrenchment/retainment of workers were not consistent;
- the unions will provide examples of the individuals without qualifications who have been employed as managers (misalignment of job requirements vs qualifications);
- the unions, therefore, request the Committee to seek responses from the BRP on whether the BRPs conducted a skills and qualification audit;
- there is no transparency or accountability in procurement processes now that the BRPs are in charge;
- BRPs spend little time at SAPO yet are paid large sums for work done;
- Unions are of the view that the only option to rescue SAPO is to ensure that partnerships are financially viable;
- as an example, the Postbank partnership was not financially viable and is the reason for the collapse of SAPO in that Postbank was only prepared to pay SAPO a R14 per transaction fee instead of the R28 required, and that was the reason for SAPO to bleed money it required to provide other services. This is despite the fact that Postbank was dependent on SAPO infrastructure to deliver SASSA payments and that the current banks do not have a countrywide footprint like SAPO;
- most ICT infrastructure is outdated;
- some branches do not have water, further stressing the workers;
- services are often offline, and this is detrimental to the revenue model of SAPO;
- workers have not gotten a salary raise for the past 10 years;
- workers do not have tools of trade;
- some of the closed branches were USO branches, and some were profitable, and yet they were inexplicably shut down;
- the unions demand that rural branches be urgently reopened;
- competitors of SAPO have capitalised on the shutting down of branches; and
- the Committee should monitor the BRPs and the 10% commission fees.

5.2.3 Submission by Total Cost To Company Union (TCTCU)

The TCTCU made the following submissions and proposals that:

- technology transformation is required at SAPO because it does not accommodate new payment systems;
- critical resources are needed at branches such as print toners, which is compromising the servicing of current contracts such as the motor vehicle licencing contract;
- workers are concerned about the large statutory deductions eroding salaries;
- workers are facing financial challenges and do not have adequate funds to travel to work;
- workers have not had salary increases for over 7 years;
- government businesses should prioritise the provision of services by capitalising on SAPO infrastructure footprint;
- government should be mandated to conduct business with SAPO; and
- austerity measures are hindering the provision of efficient services at SAPO.

5.2.4 Submission by Retrenched Workers

The retrenched workers made the following submissions and proposals that:

- they represent all the retrenched workers;
- workers were retrenched during the Easter holidays via text messages;
- have approached the Minister to protest the lack of fairness of the retrenchment process;
- there was no process to inform and consult with workers during the process
- no counselling services were provided to retrenched workers, which led to some workers having health complications;
- that the process was flawed with favouritism;
- the BRPs were unresponsive in terms of the concerns of the retrenched workers, nor did they provide options to the retrenched workers;
- that BRPs bribed some of the union representatives and gave them and their families positions at the SAPO;
- that workers received only R40 000 for retrenchment that was spread over 6 months;
- the DCDT failed to protect workers and was unresponsive to the appeals of the retrenched workers;
- the pension fund that workers received was a mere R12000, whereas SAPO was deducting workers' contributions monthly but not paying over to Sanlam;

- BRPs continue to hire and ignore appeals from retrenched workers who are willing to be placed anywhere in the organisation as long as they are reinstated; there are managers yet no staff to deliver parcels;
- there is a disjuncture between the operational structure and the number of managers;
- that previous management was subcontracting their own drivers in the ODS and contract services at higher costs than the employees of SAPO were contracted for; and
- the 4500 retrenched workers request to be returned to work.



5.2.5 Observations from Submissions by Unions, TCTCU and Retrenched Workers

The Committee delegation made observations and noted:

- there is general insensitivity towards workers and the difficulties they face;
- with disappointment that workers seemed to have not been made a priority;
- workers are not considered essential assets of SAPO yet have invested most in the day-to-day running of the organisation;
- with concern that workers do not form part of the BRPs' engagement with the Committee;
- with concern that austerity measures always target workers, because:
 - service-oriented organisations like SAPO generally have high staff costs;
 - and the process can be questioned as to how it was manipulated to serve a few;
- there is a systemic challenge in employer/employee relations;
- with concern that the breakdown of relations within SAPO impacts negatively on ordinary citizens;
- there were contradicting submissions on the retrenchment criteria; and

- observed that there is a misconception that the government is an employer, whereas it is an enabler of employment.

5.2.6 Recommendations from Submissions by Unions, TCTCU and Retrenched Workers

The Committee delegation made recommendations and:

- urged the Minister to improve the brand reputation of SAPO to be an example of good public service;
- that workers must be protected as an important asset of SAPO;
- encourage unions and BRPs to discuss further how to retain staff;
- direct the BRPs to appear before the Committee to:
 - respond to unions and workers' submissions to the Committee;
 - outline measures taken to address the concerns raised by workers;
- reiterate that it is the Minister's responsibility to facilitate a conversation between the department, BRPs, SAPO unions and ununionised managers with a focus on providing a platform for workers to raise all issues;

The Committee noted that Members were not generally satisfied with BRPs' responses. The Committee will consider escalating workers' issues to the Department of Public Service and Administration (DPSA) and commit to creating feedback channels for SAPO workers.

The Committee commits to doing all within its powers to address issues raised by workers and urges the Minister of DCDT to improve communication channels needed between the DCDT, BRPs, workers, unions and the ununionised management by convening a meeting between the parties and report back to the Committee.

Further, the Committee's work should standardise its engagement with workers. Where possible, the Committee will recommend to the National Assembly that all Parliament Committees standardise their interaction with workers.

Lastly, the Committee notes the workers' appeals about the financial crisis and will do its best to hold the Minister accountable for the commitment made to the High Court for the bailout funds for SAPO.

5.2.7 Committee Chairperson Closing Remarks

The Chairperson cautioned the workers' representatives who made submissions that, as a matter of principle, it is unjust to make accusations about individuals who are not in a position to defend themselves. The Chairperson further summarised the submissions by the unions and non-unionised

management as the retrenched workers. Common among all submissions made by the Unions is the request for the Committee to hold government accountable and deliver on its commitment to the R3.8 billion bailout.

The Committee should further:

- investigate allegations of corruption and mismanagement;
- investigate allegations of maladministration against the BRPs;
- ensure participation of unions in all meetings with BRPs;
- consider proposals by workers on how to turn SAPO around;
- prioritise workers' issues and pay particular attention to human capital issues,
- address issues raised by retrenched workers for an amicable resolve of concerns;
- conduct oversight on the enforcement of the Post Office Amendment Act;
- hold the DCDT accountable for the ongoing austerity measures, protection of workers, compliance to labour practices, health regulations, service delivery and streamlining of operations;
- compel the DCDT to leverage the SAPO fibre infrastructure to (i) diversify SAPO business revenue, (ii) provide WIFI access points to rural communities, and (iii) fulfill the government's connectivity goals of 100% broadband penetration by 2030;
- hold the BRPs accountable for: retrenchment/retainment processes of workers, jobs for friends, skills and qualification audits, allegations of mismanagement of the ODS, audit of solicited and unsolicited partnerships, audit of ICT upgrade requirements, branch rationalisation strategy, oversight of the ToRs of BRPs and reasons to take up the role to rescue SAPO, and the structure and capacity required to support a future-proof SAPO; and
- ensure that Government departments are mandated to conduct business with SAPO.

6. Oversight Visit Day Three—26 February 2025 GCIS, Pretoria, Hatfield

The state of community media, especially community print projects, remains a concern for the Committee. Community media are an important part of the country's democratic dispensation, and the oversight is aimed at engaging the sector to understand the challenges.



Media reports revealed a partnership between Google Inc. and the Association of Independent Publishers (AIP), which aims to fund community media print projects through the Digital News Transformation Fund.

The Committee firstly engaged the GCIS on (i) the Government Communications System value chain across all spheres of government and how it contributes to the communication machinery and (ii) an audit of compliance with the 30% government ad spend for community media.

The Committee delegation received presentations from various stakeholders on the status of community print media and online media regarding sustainability in the digital age. Further, the Committee received presentations from MDDA and the Digital News Transformation Fund (DNMF). The Committee concluded the day by hosting roundtables on (i) advertising in community newspapers and online media and (ii) the promotion of indigenous languages in media projects.



The Chairperson of the Committee welcomed all stakeholders, noted apologies, and made introductory remarks, including the purpose of the oversight visit. The Deputy Minister in the Presidency also welcomed participants, made introductory remarks, and introduced his management team.

Deputy Minister highlighted that:

- conveyed appreciation to the Portfolio Committee for the oversight of GCIS;
- communication and dissemination of information are central to a functioning democracy;
- and noted the changing media landscape;

- GCIS must leverage strategic partnerships and be innovative in using multi-platforms for government programmes as a driver of social transformation;
- community media is vital for promoting social change and fostering democracy;
- the international agenda is increasingly impacting domestic priorities; and
- the engagement of the day should help propel government communication.



6.1 Presentation by GCIS

The Acting DG and DDG (DDG of which business unit) presented on:

- Background to GCIS;
- Filling of vacancies at GCIS;
- MAC Sector: Legislative mandate, composition, structure, Council mandate to transform the sector;
- White Paper on government-wide communication system: Draft Green Paper;
- Governance status of the boards of Entities;
- Relevance and adaptability of the GCIS to deliver government information in a digital economy, the role of GCIS within the communication system;
- Principles of GCS as well as roles and responsibilities of political and government officials;
- Communication Principles in a Democracy, Medium Term Development Plan (MTDP), Coordination of GCS and GCIS services and more.

6.1.1 Observations from GCIS Presentation

The Committee delegation made observations and noted:

- and welcomed the detailed presentation;

- that the impression of GCIS is that of a well-run organisation with a dedicated workforce;
- and welcomed the deliberate initiative to support local municipalities;
- that GCIS always reinvents itself to bridge the gap with rural communities;
- with disappointment that RFQ for community media on budget and SONA occasions have been stopped;
- and welcomed the development of the WhatsApp chatbot that will be able to respond to Frequently Asked Questions (FAQs) across government departments;
- and welcomed the automated recruitment system (e-recruitment system);
- welcomed the initiative to incorporate influencers who are mostly youth;
- with concern the lack of budget to run the GCIS mandate effectively;
- with more concern, out of the 500 employees, 82 posts are unfunded;
- that besides the SABC, the GCIS is the first source of reliable information for most South Africans;
- with concern that communities do not receive verifiable information from social media platforms;
- that some citizens still do not know where to go to source government information;
- that GCIS can play a role in informing citizens of the value of the SABC and encouraging payment of TV licences;
- with concern that there are still citizens who do not know where to go to solve their problems;
- with further concern that South Africans feel hopeless;
- that lack of visibility and knowledge of government media liaison officers is contributing to the lack of reliable information for citizens;
- that communication in government is not about competition but a service delivery tool;
- that GCIS conducts monthly district communication reviews to create communication interventions for local government;
 - is continually reinventing the GCS;
- that the mood of the country has slightly improved, with 33% of citizens being optimistic about the direction of the country;
- with concern that there is no consistency by government departments in communicating government programmes because of a lack of capacity in some departments;
- with concern about the lack of legislation to empower the GCIS and the GCS;
- that communicating the GCS is not a competition between government departments;

- and appreciated the work in rural communities and in attempting to bridge the information asymmetry;
- and commend GCIS for the support of community media and MDDA, albeit not enough;
- and commend the support of the African agenda for public interest journalism;
- and commend GCIS for positioning the MDDA as a thought leader on the African continent;
- that GCIS requires budget support to run an effective GCS; and
- that the role of EskomSePush is to communicate about loadshedding.



6.1.2 Recommendations from the GCIS Presentation

The Committee delegation made recommendations that:

- GCIS must ensure cross-cutting communication irrespective of political parties;
- GCIS should be future-proof and evolve with technology to maximise communication with all citizens;
- government communicators should be incentivised to ensure they stay within the system;
- GCIS should leverage community media, local government and traditional houses to maximise reach, especially in rural areas;
- GCIS should devise ways to accommodate communities with inadequate access to digital devices equitably;
- GCIS should lead the government to be more responsive and proactive to curb information disorder because communication remains a contested terrain, and credible information is not easily verified because the information is instantaneously propagated on various platforms;
- GCIS must optimise the use of technology to facilitate a sufficient flow of communication between departments up to the ward level with citizens, and must have a feedback system;
- GCIS should maximise access to government information on all social media platforms;
- while it is overwhelmed by fake news, develop systems to counter the scourge;

- work smart, be adaptive and innovative to overcome the constraints in fighting the spread of fake news;
- GCIS should continue being deliberate in encouraging government interdepartmental communications;
 - and foster a culture of interoperability and use of compatible communication platforms; maximise reach through community media;
 - and ensure it covers all corners of South Africa, especially the rural areas; aggressively enforce the 30% ad spend by the government;
- as a key government communicator responsible for the Government Communication System, GCIS should fast-track becoming fit-for-purpose, effective and future-proof;
 - be adaptive to digital technologies to maximise reach;
- GCIS should inspire patriotism through the Government Communication System;
 - empower South Africans through communication excellence and be available everywhere;
- GCIS should endeavour to integrate school governing bodies in the communication system;
- GCIS should improve consistency and be fair in the publication of RFQs in community media;
- GCIS continue to train political office bearers on electioneering and other election-related training;
- GCIS must increase its support for community print media;
- GCIS expands training programmes through its partnership with the School of Government on training for communicators and the South African Local Government Association (SALGA);
- GCIS should provide leadership to discourage the politicisation of the newsroom and false reporting about democratically elected politicians; and
- that the DG of GCIS should be the spokesperson for the country.

6.2 Presentation by the MDDA

The CEO of MDDA presented on:

- Background and Mandate
- Income Sources
- Support for Print Projects and Interventions
- Funding Priorities and Capacity Building
- Research and Sustainability, Content and Expertise Analysis & Root Cause Analysis

6.2.1 Observations on the Presentation by the MDDA

The Committee delegation made observations and noted:

- and welcomed all the informative presentations;
- that there was intent for the Committee to focus on community print media in order to balance oversight on overall community media issues;
- that MDDA has minimal exposure despite being established in 2003;
 - however, note the positive impact on communities;
- welcome the innovative partnerships that MDDA has secured;
- with concern that staff morale at MDDA is low due to financial sustainability and uncertainty in leadership;
- with concern to the continuous litigations against staff;
- that the building where MDDA is renting is overcrowded and does not accommodate wheelchairs, but is in the process of identifying new office premises;
- with concern that digital technology trends are eroding investigative journalism as a profession.
- that advertising revenue across organisations is shrinking due to the disruption by over-the-top platforms (OTTs);
- the pace of transformation of the media sector dictates flexibility from the MDDA;
- MDDA has partnered with various training institutions to build capacity and provide technical skills for community media as part of the sustainability strategy of the sector;
- that the Board has approved the Digitalisation of the Community Media Sector Strategy with support from the GCIS;
- that there is a need for the development of regulations for the use of ethical AI in journalism;
- that MDDA is embarking on upskilling the community print media so that it can meet the demands of a changing sector; and
- and is developing tools that are culturally sensitive for the preservation of African languages.



6.2.2 Recommendations on the Presentation by the MDDA

The Committee delegation made recommendations that:

- the Minister should ensure that GCIS enhances communication about the role of MDDA and empowers the entity to deliver more on its mandate, especially in rural areas;
- more support is needed for community media because it is a platform to promote economic inclusion in communities
- MDDA will share the report on AI use in the newsroom, which will be ready by the end of March;
- the MDDA should consider ways to incentivise journalism as a profession against the backdrop of the emergence of technologies like AI;
- the GCIS, through the MDDA and in consultation with ICASA, should produce a due diligence research report that contains geographic, economic, and social variables to inform policy and regulation on the desirability, viability and sustainability of community media; and
- the GCIS should conduct public campaigns on MDDA brand awareness and mandate.



6.3 Presentation by the GCIS on Support to Community Media

The Acting DG of GCIS presented on:

- Background, NDP & MTDPS priorities
- Approach to Public Service Media (PSM) Funding
- Environmental Analysis & Market Structure of the Sector
- Primary Services & Challenges Facing the Community Print
- GCIS Intervention & Steering Committee of the Community and Digital Print
- Recommendations & International Best Practice
- Community Print, GCIS Media Spend & Community Print Spend

6.4 Presentation by the AIP on the Status of Community Print Media and the DNT Fund

The Chairperson of the Board and Executive Director of AIP presented on:

- Background
- History of Black Publications
- Notable AIP Publications
- Role of AIP and Importance of Community Media
- Sustainability Initiatives
- Challenges and Proposed Solutions
- The Digital News Transformation Fund Administration
- Conclusion

6.4.1 Observations on the Presentation by the AIP on the Status of Community Print Media the DNT Fund

The Committee delegation made observations and noted that the AIP reported that:

- there is a lack of advertising support from GCIS and Corporates;
- there is limited indigenous language use in government publications;
- there is inadequate funding for the grassroots print sector from the Media Development and Diversity Agency (MDDA), and recommended that:
 - Government must commit to grassroots advertising;
 - Promote indigenous languages in public documents; and
 - Increase MDDA funding for independent grassroots print and online media.

And further noted:

- and congratulated AIP for 25% ownership of media projects by women;
- that AIP has media representation country-wide with provincial representation and is currently developing a map of locations of all media projects under the association;
- and welcomed the partnership between AIP and Google. The DNTF is a R114-million initiative over three years aimed at supporting the digital transformation of small and medium independent news publishers in South Africa;
- that the fund will, among others, prioritise publications that are in rural areas, promote indigenous languages and have small distribution numbers or service marginalised communities;
- will consider multi-platform publications of applicants;
- there will be support for the application process for publishers;
- with concern that South Africa lacks the required pace to respond to the digital revolution, which requires agility and adaptation;

- with greater concern that indigenous languages are limited to use in households and not commonly used, especially by children and youth;
- there is room for improvement in making publications better known;
- the DRC crisis, xenophobic attacks have exposed gaps in how media is used;
- with concern that geopolitical arrangements threaten the sovereignty of the Republic and in particular, media freedom;
- that print media has a fluctuating trend and is not necessarily in decline;
- that AIPs role is training for journalists and is a transition for journalists into mainstream media;
- that community media is growing and sustainable, and that local communities can counteract disinformation because in-person and social interactions build trust where information is not easily distorted;
- there is a demand for community media globally;
- that the vision for AIP is to stimulate a vibrant community media presence across South Africa that holds government and society accountable; and
- welcomed the proposal by AIP for GCIS to use its national footprint of community print media to communicate government information.

6.4.2 Recommendations on the Presentation by the AIP on the Status of Community Print Media the DNT Fund

The Committee delegation made recommendations that:

- the AIP should consider promoting an ethical media environment and take precautions against unethical journalism;
- the Fund should consider contributing towards independent and ethical journalism;
- the AIP should guard against the grooming of an aggressive media landscape and instead consider partnering with the government on achieving the goals of an informed citizenry and an inclusive economy; and
- ensure that the bogus advertisers in the community media are eradicated.

The Committee noted that engagement with MDDA employees has to be deferred (i) because it requires a full-day session and (ii) because it requires a structured approach to dealing with the main issues, including the fact that the agency has litigations in court, as the Deputy Minister reported.

6.5 Presentation by the Pan South African Language Board (PanSALB)

The official presented on the promotion of indigenous language media as follows:

- Introduction and MTFD
- Government Communication System (GCS) ability to communicate with the public
- Approaches to promoting Indigenous media

6.6 Panel Discussion on Promotion of Indigenous Language Media

Panellists: GCIS/PanSALB /Sanef

Facilitator: Ms Phathiswa Magopeni of the Press Council of South Africa (PCSA) presented brief introductory remarks as follows:

- Credible and trustworthy information is central to national building;
- Languages are mechanisms through which information is gathered, processed, shared and consumed;
- Indigenous media remains important for supporting the information ecosystem of South Africa;
- Citizens should be serviced in languages that appeal to them;
- Inclusive, meaningful provision of useful, credible and relevant information;
- Language as a preservation of human dignity;
- Ethical conduct, freedom of expression and accountability;
- GCIS community media spending has declined from R4 million in 2018/19 to 1.3 million in 2024/25.

6.6.1 Panellists Perspectives

Facilitator: How is **PanSALB** responding to the rapid decline in the quality and usage of indigenous languages across media platforms?

PanSALB: Section 4 of the Constitution stipulates that the government must use a minimum of two languages. The Use of Official Languages Act stipulates that all national organs of the State must use at least three languages. However, language policies of national departments (44) use English as a language of operation and business. The language of external communication is also English; therefore, it cannot be expected that languages are developed but the government does not support them. It is a constitutional prescript to develop and promote indigenous languages, but this is not happening.

The government is not compliant with the prescripts of the Constitution, and Parliament does not respect our indigenous languages.

At the SABC, there is a need to incentivise reporters who use indigenous languages more than those who use English as a medium of business because it is tantamount to exploitation when an employee is expected to report in English and an indigenous language yet receive the same salary as the reporter that uses one language medium.

Facilitator: What role do the news media, particularly indigenous language media, play in building a linguistically inclusive and empowering news and information system?

Sanef: Sanef is an organisation comprising editors, journalists, and trainers of all media platforms to ensure the defence of the democratic prescripts such as the freedom of speech, promotion of equality, ethics and diversity of the South African media landscape. Sanef also promotes media freedom by contributing to, among others, policy development, participating in forums such as panel discussions, conducting research and implementing education and training programs to strengthen journalism.

Among many subcommittees, Sanef has a community media subcommittee that focuses on concretising Sanef's leadership about strengths and challenges in the sector. Sanef has partnered with PanSALB and the United Nations and hosted seminars on indigenous languages and the media aimed at protecting and preserving indigenous languages. As a direct result, a Code of Conduct from the Press Council, through a partnership with universities, was translated into various languages to help conscientise Sanef and similar structures.

The University of Northwest is committed to developing a new curriculum focusing on indigenous languages in journalism to dispel the notion of using principles based on Western education.

Facilitator: In a presentation that was made earlier, referring to a twin mandate of the GCIS, the government's predominant use of English in communicating to citizens is a translation of emotional and cultural investment in English. How does GCIS create a linguistically inclusive Government Communication System?

GCIS: The State of the Nation Address is normally translated into all official languages, and Vuk'uzenzele is still a diversified newspaper developed by GCIS, and recently, there has been an initiative to include Braille. GCIS ensures content diversification before translation. GCIS admits there is room for improvement in mainstreaming indigenous languages into the Government Communication System. Through its APP, the GCIS has committed that by 2030, all official languages other than English would have been improved by more than 70 per cent.

Facilitator: Noting the impact of information disorders that pose a great risk to the stability of democracies and the explosive growth of digital propaganda, how is the GCIS protecting the Constitution and democracy by ensuring information integrity through indigenous languages?

GCIS: Government does its part to advocate for indigenous languages, although more can be done, such as issues of government messages in different languages daily. GCIS is committed to addressing information disorders using different languages; there is room for improvement. GCIS is tasked with providing universal access to information, but not without challenges, such as limitations in personnel working in the editorial and translation services.

Facilitator: How is PanSALB using AI to tap into the communicative power of indigenous languages and lift the intellectual, economic, and political power of language?

PanSALB: It is a proven fact that there is no language that is incapable of dealing with modern technology, granted it is given a space and is allowed usage. All terminology has a usage context. The challenge is what is referred to as material determinism in critical race theory or critical language and race theory which claims that South Africa has converged towards a particular language because there is particular interest. That interest does not serve all communities, and the notion that there is terminology that does not exist is untrue. For example, the fact that Africans did not develop the machinery they used means they cannot develop names to call the machinery.

If South Africa had been innovative, it could have also developed its machinery and, therefore, been able to craft indigenous names. South Africa needs to breed a society that uses languages everywhere, including in the curriculum, to build a critical mass of terminology in indigenous languages. Terminology can only be developed through the regular use of indigenous languages. PanSALB believes there is no scarcity of terminology and that what is lacking is the use of languages. Words can be borrowed from other languages as a methodology to advance the use and development of languages.

Facilitator: How is the Bible translated into all languages if there is a lack of terminology, and is there an equivalent translation to the word 'transfiguration' if there's a lack of terminology in African languages? What is the impact of training journalists exclusively in English for the newsrooms, such that newsrooms rely on translations?

Sanef: The use of English in newsrooms is a challenge; however, there are pockets of excellence, particularly in community print media, to evolve the use of indigenous languages. Sanef has previously, although on a minuscule scale, contributed to migrating community media to digital platforms. Going forward, it is wished that because MDDA is also doing some work in the space by

digitising community media, which will create the ability and capacity for indigenous languages, it should not reinvent the wheel but learn from Sanef’s initiative.

Facilitator Concluding Remarks

Challenges in community print media don’t always require money to resolve, while some do not require legislation. *‘We must think innovatively to resolve challenges.’*

6.7 Panel Discussion on Advertising in Community Newspapers and Online Media

Panellists: GCIS, Lams, Africa Chamber of Media and Capro

Facilitator: Dr Skinner of AIP presented as follows:

- The key issue for community media is a lack of funding
- There are alternatives that do not require funding and, if not focused on, have the potential to create a crisis for community media, such as:
 - the ability to get sponsorship and advertising into community media publications
- Community print publications are closing down because they do not have funding.



6.7.1 Panellists Perspectives

Facilitator: Explain what some of the problems are in terms of advertising

Capro: Capro procures advertising for all independent newspapers because, in the sector, everything depends on advertising. Survival of all publications and community print media is important because when ad spend is insufficient, it leads to the publication's closure, which leads to unemployment. This would project South Africa in a negative economic decline.

The biggest challenge is the advertising sector, which is experiencing a decrease in spending by advertisers. Education and training are crucial; therefore, Capro calls for public discourse to collaborate to sustain community print, which is the heartbeat of every town. The fact that print is dying does not translate to the death of community newspapers. Studies were presented earlier, proving that community print is thriving and growing. Only through collaboration can community newspapers be empowered to use and adopt digital technologies, and newspapers cannot be thought of as a silo outside digital technologies. Media strategies should first consider community newspapers as anchors and other platforms as complementary to the newspaper. Multiplatform channels are complementary to community newspapers.

There is no justification for the government to advertise in mainstream media on issues that affect rural communities, such as information on spaza shops, which is, by default, community-related news. There is no synergy between community radio and community print media. They can be synergised with social network platforms to form an omnichannel approach, because there will always be a need for community print.



GCIS on some of the problems in regards to advertising:

The function of funding community print began before MDDA was established by the then Department of Communications. The question is, at what point does the country decide it has reached a state of community media diversity? And this is a policy matter rather than a funding matter.

Meaning that the government will stop funding community media at a point when it determines there is community media diversity. The focus, as in other countries, is on the Community Media Diversity Index, which measures the quality of the content of community print media and not the number of projects.

Only at that point will the role of MDDA be to assist the government in ensuring the sustainability of community media because the funding phase will have been long concluded. Working with the private sector, GCIS is embarking on a study focusing on how the government assesses the type of support needed. An audit is needed to measure the penetration of community media and the extent to which to encourage the development of community projects in underserved areas of the country. GCIS will continue encouraging the government to support community media, especially print media. Measures are being developed to audit the application process and ensure that funding is directed meaningfully.

The Marketing, Advertising, and Communication Sector (MAC) Charter obligates companies to ensure that they place advertisements in community print and broadcast media. The GCIS collects statistics from various sources to determine media ad spend trends, and clients of the Department and GCIS can make the statistics available. The Department is also improving the rate cards to make a significant impact and continue to fund the sector.

GCIS intends to mainstream the advertising of government tenders on community media so as to increase incomes for the sector, and it's a work in progress.

Lams on some of the problems in terms of advertising:

The concept of “people’s media”, that later became community media, dates back to before the democratic dispensation in South Africa. The ANC’s Radio Freedom, in particular, laid the ideological and practical foundation for media by the people, for the people and serving the needs of communities rather than commercial or state interests. The station was a powerful tool against the propaganda and tight grip on public information of the apartheid regime. It sowed the seeds of post-apartheid community media becoming platforms for local information, civic education, health awareness and democratic participation. As such, it is of paramount importance that the role of community media is protected.

The MDDA, formed in 2002, plays a critical role in promoting and supporting community media. It was set up to help transform and democratise the media landscape, particularly by ensuring that marginalised communities have access to media that reflects their own voices, languages and cultures. To further strengthen the integration of indigenous languages, the PanSALB has a formal

and strategic relationship with the SABC to promote the use and status of indigenous languages in broadcasting. These structures and collaborations are essential in ensuring the sustainability of both the community print and broadcast media.

Approximately 5 million newspapers are delivered to households weekly, and this medium cannot be ignored as an economic contributor. When Pick'n Pay attempted to pull out of community print, sales went down by over 45 per cent, further proving the power of printed material.

The media works on accountability in terms of advertising. Proof of flighting and audited circulation figures are important to secure funding from the government and other advertisers. Community media reaches over 5 million readers weekly, unlike the Sunday Times, which has under 100,000 readers weekly. Therefore, there was no justification for the now-defunct policy that compelled the government to advertise in mainstream media for recruitment and job tenders.



6.8. Observations on the Panel Discussions Presentations

The Committee delegation made observations on both the topics of the Panel Discussion, including the presentation by PanSALB, and noted:

- and appreciated all presenters, including panellists and the facilitators, with sincere appreciation and thanks to officials of AIP, Sanef, PanSALB, and Lams, Capro officials;
- with more appreciation that the discussion on indigenous languages was enlightening;
- that the restoration of past imbalances created by the oppression of language alienated people from their culture;
- with concern that while it is the languages of the first people in the region, the Khoi and San languages are not official in RSA;
- with greater concern that there is a false perception that Africans do not appreciate indigenous languages;
- that language is a form of identity and that the Colored race in South Africa is African;

- commend PanSALB for the preservation of indigenous languages and for developing a talking dictionary for the new language;
- with appreciation, Ouma Katrina, who is 92 years old and the remaining speaker of the extinct San language, started a school aimed at preserving the San language and has a passion, desire and will to preserve her language;
- that Parliament is also facing challenges in the integration of indigenous languages in its work;
- with concern that this may be an indication that Parliament itself does not respect African indigenous languages;
- that the quality of education in some areas contributes to the alienation of indigenous languages;
- there should be a concerted effort towards protecting and nurturing language diversification and indigenous languages, in particular in schools and the education system in South Africa;
- with concern that modern journalism pushes the limits of journalists to the extent of searching for information in dustbins and resorting to hackling politicians;
- that the credibility of the journalism profession is fading;
- with concern that newsrooms are politicised and influenced by politicians who are willing to pay bribes;
- that it is a choice of families to choose what medium of communication they use in a household, and the government cannot be blamed for people making their own language choices;
- that the government created an enabling environment to ensure that indigenous languages thrive;
- that recruitment advertising in digital platforms is not conducive for rural areas, but community print media is the most convenient way to access information, including opportunities in business and employment;
- that the cultural and language diversity function has been moved to the MDDA and encourages ownership of community media by PDIs and the MDDA is mandated to prioritise the Diminished Cultural Language Groups;
- that the GCIS, MDDA, Capro and AIP will continue to engage in recruitment and uplifting of community print media; and
- that the destiny to preserve indigenous languages rests with individuals.



6.9. Recommendations on the Panel Discussion Presentations

The Committee delegation made recommendations:

- that PanSALB should endeavour to do more to develop indigenous languages;
 - that the language school to preserve and promote the N|uu language, an ancient San language called †Aqe †X\oqe, which translates to "Gaze" , and is considered a national asset, should be protected and the model expanded;
- that the discussion of the day was enriching with topics that are often overlooked and made the Committee realise how crucial it is for citizens to be connected and be able to communicate in the languages of their choice;
- to promote socioeconomic mobility and inclusivity, government communications should prioritise multilingualism by providing information in citizens' preferred languages, ensuring access to public services and materials in all official languages. This includes creating and implementing institutional language policies, supporting language development, and standardising indigenous languages for broader use in government functions;
- encouraging the learning and use of indigenous languages through education and workplace initiatives, alongside supporting indigenous language media, will further strengthen cultural identity and communication, greater social inclusion and accessibility for all citizens;
- the engagements encourage a greater sense of appreciation of indigenous languages;
- that there should be a deliberate intent to develop and protect local languages by all South Africans, including the Committee;

- that print media are one way in which language and culture can be preserved;
- that preservation of indigenous languages begins with citizens first making a conscious decision to use the language to communicate;
- that while appreciating the benefits of a Democratic South Africa, Parliament should be the first guardian, promoter and protector of indigenous languages as fundamental to the principles of the democratic Republic;
- that South Africans, in general, should strive towards the preservation and propagation of indigenous languages, especially in the wake of emerging digital technologies such as Artificial Intelligence (AI) that depend on available information on the Internet to build machine learning algorithms;
- that GCIS should take leadership to encourage citizens to promote indigenous languages;
 - assist to deter stereo types such as when citizens express themselves in indigenous languages they are labelled tribalists;
- that much intervention is required in the education sector to transform our citizens and protect indigenous languages and must be invited in public discourse such as one hosted by the Committee;
- South Africans should invest in the promotion of indigenous languages on the Internet as a means to develop a native digital ecosystem that embraces our culture, values and languages;
- that Lams (Moses) should make a submission to the Committee on the status of community print and opportunities to build a sustainable industry; such as the publishing of Parliament, provincial and local government legislatures, national and local government information;
- that while appreciated, GCIS should not downplay its shortcomings to the extent that it focuses only on the positive highlights at the expense of getting much-needed support;
- that the GCIS, MDDA, Capro and AIP will continue to engage in recruitment and uplifting of community print media; and
- Sanef and AIP will submit a written response to the unanswered question. As well as the organisations' position on government spending on advertising.

The Committee will continue to conduct oversight over the GCIS and MDDA's strategies for sustaining community media. The Committee further urges the government to use reputable services for translating indigenous languages.

Lastly, the Committee looks forward to further engagement with the stakeholders, including (i) receiving a report on the Committee's recommendations to GCIS and MDDA and (ii) receiving a report on proposals made during the panel discussions before end of second term.

7. Oversight Visit Day Four—27 February 2025 Postbank, Pretoria, Hatfield



Postbank presented a sustainability strategy. The entity also updated the Committee delegation on the implementation of the variation notice orders and progress on the Bank's licencing process, including providing real-time numbers of the card migration process ahead of the June deadline. After receiving the presentation, the Committee delegation visited Postbank-related outlets across the Johannesburg Metro that form part of the card

migration

project. The Committee visited points of presence in Atteridgeville, Wierda Park and Diepslot, which are points of access identified by Postbank for the distribution of the new black cards.

The Chairperson of the Board of Postbank made the opening and introductory remarks that:

- apologised that the Postbank is welcoming the Committee at a hotel because they are in transition to acquire new office space;
- the aim of Postbank is to facilitate financial and economic inclusion;
- the Committee will be appraised of the difficulties and complications emanating from the business rescue process;
- the performance of Postbank is relative to the trust and confidence of citizens and, as such, Postbank has not faltered in service delivery and has paid grants seamlessly to recipients for the past 2 years without glitches;
- the Postbank is making considerable progress on governance risk, compliance and audit performance; and
- the Postbank is making tangible progress in fulfilling the variation notice conditions, of which the last part is issuing black cards.

7.1 Presentation by Postbank

The CEO gave a detailed presentation as follows:

Agenda Item No.	Description	Presenter	Slide Reference
1. Outside-In Perspective			
1.1	Current Financial Services Landscape Challenges, and the Government's viewpoint	Nikki	7 - 13
1.2	Analysis of the South African Economy	Thami	14 - 20
1.3	Customer and Competitor landscape analysis		21 - 34
1.4	Technological trends and developments	Nimroth	35 - 37
1.5	Service delivery trends	Eurekha	38 - 40
1.6	Legislative environmental analysis	Rookeya	41 - 46
1.7	Employee trends and development (a post COVID perspective)	Nokwanda	47 - 52
2. Inside-Out Perspective			
2.1	Postbank Customer Analysis	Thami	54 - 58
2.2	Year-To-Date Financial Performance	Martin	59 - 60
2.3	Improvement on Audit Outcome	Wisani	61 - 63
2.4	Our SWOT Analysis (review)	Nikki	64 - 65
3. Our Strategy Going Forward		Nikki	67 - 86
4. Status Update on Key Initiatives			
4.1	Update on the Variation Notice	Eurekha	88 - 95
4.2	Update on the Commercial license application	Rookeya	96 - 98

7.1.1 Observations from the Postbank Presentation

The Committee delegation made observations and noted:

- with concern that Postbank does not have operating offices and, as a result, hosted us at a hotel;
- with further concern that the BRPs evicted Postbank from the Post Office without proper engagement;
- with concern that BRPs continue to negotiate seemingly in bad faith with Postbank and, in some instances, have closed Postbank services without notice;
- that the funds spent to hire the hotel could have been used for service delivery;
- that relations with SAPO only began to be strained at the arrival of the BRPs;
- with appreciation that Postbank has moved from a disclaimer (of 3 years) to a qualified audit, and this is commendable progress towards restoring good governance;
- with further appreciation that Postbank is on course to establish a regional presence;
- with concern that Postbank has gone on tender four times to secure offices without success;
- that some regions do not have a point of presence of Postbank, and citizens must travel far to receive service;
- with great concern that information about the migration process has failed to reach all citizens;

- that if citizens are well-informed about the importance of migration, the response would be far more positive;
- with concern that the current 28 per cent reach of grant recipients is unsatisfactory;
- with concern that there is an attempt to undermine the efficiency of Postbank;
- with more concern that there is a misinformation and disinformation campaign aimed at derailing the success of this key government programme run by Postbank;
- that Postbank was paid 12 cents to the Rand by SAPO as opposed to the 18 cents received by other creditors, whereas Postbank was the biggest creditor to the post office;
- with concern that the BRPs also offset the R522 million agreed to;
- with greater concern that SAPO owes over R500 million to Postbank;
- that Postbank continues to utilise SAPO branches, albeit minimally;
- that the reason that the SASSA payment system is not expanded through the post office is because of a lack of compliance with security measures required to store client information;
- with concern that for servicing the SASSA account, the BRPs proposed high costs for the service as well as to retain all profits from Postbank;
- with appreciation for the improved relations between SASSA and Postbank;
- that when the government fails to provide intended services, citizens suffer the most;
- that the R4.5 billion theft was the beginning of the downfall of Postbank;
- that while Postbank has invested in improving its IT systems, it still lacks capacity;
- that there is a general mismatch of skills at Postbank, as most employees were inherited from SAPO;
- that the Department of Home Affairs link to Postbank systems is problematic;
- that a cleanup exercise by SASA resulted in the loss of 2 million accounts, which were classified as ‘ghost accounts;’
- that Cash-In-Transit costs amounted to R24 million a month for Postbank;
- that SAPO, as a partner to distribute grants, did not have adequate security controls and compromised Postbank;
- with appreciation that fraud has reduced by 80% year on year at Postbank because of improvements in fraud detection systems; and
- with further appreciation that Postbank has established a war room to resolve challenges associated with the migration process.



7.1.2 Recommendations from the Postbank Presentation

The Committee delegation made recommendations:

- that the Minister has an obligation to safeguard the taxpayers' money and therefore Postbank should implement stringent financial controls on expenditure;
- that the Minister must restore the strained relations between Postbank and SAPO to safeguard and promote a culture of collaboration and synergy of entities reporting to the Department;
- that it is the responsibility of the Minister and Postbank Board consistently and timeously share information in a transparent manner to continue to improve relations with the Department of Social Development (DSD);
- that the Department and Postbank must ensure that information flow about the migration process is efficiently communicated to all citizens;
 - must continue to consult with traditional leaders and address rural community concerns;
- that Postbank should desist from partnering with the private sector at the expense of State-Owned Entities;
- that Postbank must prioritise building in-house IT services and not outsource;
- that Postbank must (i) continue to innovate to expand a multiplatform approach to grow its customer base, (ii) and communicate effectively with its clients;
- that Postbank must put systems in place to deter fraudulent activities and ensure that the newly issued black cards are not compromised;
- that citizens should not be inconvenienced by the transition undertaken by Postbank;
- that Postbank should ensure that all points of presence offer ablution and water services and, most importantly, must cater for the elderly and people with disabilities;
- that no grant recipient should be sidelined from receiving a grant service;
- that beneficiaries should be offered added services for banking with Postbank, such as loyalty points;

- that Postbank should aggressively counter misinformation about the migration project;
- that the Minister should devise a plan to ensure that Postbank retains and grows its customer base to become the bank of choice for citizens;
 - should ensure the affordability of the services;
- that Postbank does not owe SAPO any money;
- that the National Treasury indicated that any recapitalisation required by the two entities will have to be done through the budget process and further recognised the goodwill of SAPO for assisting Postbank to expand independently up to where it is currently. However, there was no need to fund both the entities to their full requirements;
- that Postbank will provide in writing information and figures on the cost of rolling out the SASSA card.

The Committee appreciates the commitment and dedication of the Postbank board, management, and staff and commits to supporting the project and closely monitoring the rollout before the deadline of 30 June 2025.

The Committee will host a joint sitting with the Portfolio Committee on Home Affairs, the Departments of Communications and Digital Technologies and Home Affairs, SITA, and Postbank to resolve the interoperability of IT systems such as use of biometrics systems to register new customers for the State Bbank.

The Committee will further schedule an engagement for Postbank to present its sustainability plan.

Lastly, the preservation of Postbank remains important for the Committee and government because most South African citizens remain marginalised regarding banking services.

7.2 Visit to Postbank Service Delivery Sites

The deadline for migration to black cards has been extended until 30 June 2025. Because it is anticipated that closer to the deadline, there will be pressure on the service, as was evident in December, it remains important for the Committee to continuously and consistently assess the capacity of the infrastructure to withstand pressure and efficiently migrate citizens to the new cards before the deadline. It was equally important to assess the experience of beneficiaries and their experience with Postbank and the migration process.

The objectives of the visits to the delivery sites were for the delegation to (i) assess infrastructure capacity to support beneficiaries, (ii) solicit feedback on the operations of the card migration programme from workers of Postbank and management of the retail stores, (iii) assess accessibility



to ablution facilities and water for Postbank staff and clients, and (iv) measure the turnaround time to process beneficiaries. The Committee visited three sites in the Tshwane Metro: Shoprite—Nkomo Mall in Atteridgeville, Shoprite—Wierda Park Mall in Weir Park, and Shoprite-Chuma Mall in Diepsloot. Postbank has identified these retail partners as service points for processing applications and issuing new SASSA black cards to beneficiaries.

At Atteridgeville – Shoprite Nkomo Mall, the delegation met with Postbank management and staff and interacted with citizens. Postbank services are stationed and operate within the Shoprite retail infrastructure. There were about 22 seats outside of Shoprite to accommodate Postbank clients.

Postbank services are also available at hospitals and clinics on mobile service points. Postbank told the delegation that an additional R30 million was spent informing citizens about the deadline. The campaign was, however, not as successful as expected.



At Wierda Park Mall - Shoprite, the delegation observed that the services provided were mainly the issuing of black cards by Postbank. Two service points to register Postbank beneficiaries were

positioned just outside the Shoprite entrance. The delegation was curious to know if consideration was given to the rainy weather. The delegation observed that the service point was not busy, and registering and issuing new cards takes approximately 3 minutes per beneficiary. The client must produce an ID card; the system will identify the person. A fingerprint is registered before the black card is activated with a new Personal Identity Number (PIN) code. The fingerprint process is reverified to confirm the activation of the new card.



At the Diepsloot Shoprite, the branch services approximately 1350 clients per day. Postbank was also training two more staff to handle the outlet's capacity of only four staff members. The delegation noted with concern that there was no seating arrangement for beneficiaries. The staff indicated that the store is small, congested and often busy, and the mall's management does not allow sitting in the mall corridors, so staff improvises and uses a numbering system to manage the queues. Staff indicated that not enough uniforms had been issued to them, and there were also occasional network problems, which delayed the queues.

There were also issues relating to network coverage, particularly for Vodacom, which was absent inside the mall and surrounding areas. Postbank's CFO indicated that the system is heavily reliant on the Vodacom network. As a result, the site often experiences signal challenges that slow down the turnaround time to service beneficiaries.



7.3. Oversight to Sentech Radio Park, Honeydew Johannesburg

The Chairperson welcomed all the stakeholders. She noted apologies from the Minister, Deputy Minister, and DDG Entity Oversight that they could not join the Committee. The Chairperson outlined the purpose of the visit, including that it is important for the Committee to understand Sentech's signal distribution infrastructure since it regularly receives complaints, particularly on high costs of signal distribution from the SABC and community broadcasters.

On behalf of the Committee, the Chairperson further acknowledged Sentech's important role in transitioning the country to a digital future after the switchover and the entity's importance in protecting South Africa's sovereignty over satellite space.

At the top of the Committee's agenda, following a joint meeting with the Department of Science, Technology and Innovation, is the advancement of South Africa into the space race by building capacity as a strategy to position the country as a leader on the continent in this sector. The Committee acknowledges the advances by Sentech in consistently investing in providing state-of-the-art signal distribution infrastructure that supports the vast network of the broadcasting ecosystem. The Committee is committed to providing support for Sentech, as is the case with all other entities of the Portfolio, and it is within that spirit that the delegation is giving audience to Sentech.

The Chairperson of the Sentech Board made opening remarks, welcomed the Committee and introduced Board members. She informed the Committee that the week was the last for the term of the current Board, which had just completed a three-year term.

7.3.1 Presentation by Sentech to the Committee

The presentation addressed the following areas:

- Performance of the Organisation and Strategic Direction:
 - Purpose, Mission, Vision, Values and Strategy;
 - Business Units; and
 - Organisational Structure.
- SABC Debt and Community Media Debt
- Strategic projects:
 - BDM.
 - SA Connect.
 - Satellite Project.
- Facilities Walk-through oration

7.3.2 Observations from the Presentation by Sentech

The Committee delegation made observations and noted:

- and commended the work of the outgoing Board; with disappointment that they could not finalise the appointment of a permanent Executive team during their tenure;

- and commended the stability of the entity and its commitment to providing always-on broadcasting signal services, even to its detriment at times;
 - that Sentech has not had a qualified audit for over 5 years;
 - that the SABC owes Sentech R1.2 billion dating back to 2022, however, there is an agreement to pay R51 million per month;
 - with concern that Sentech has had to fund SABC operations over two years, costing R500 million per year;
 - that Sentech continues to bill SABC monthly for about R67 million, as agreed to in the Master Transmission Agreement;
 - that SABC has applied to the NT and was approved for a virement to reconcile the monthly difference owed to Sentech;
 - with concern that while the virement was approved, the SABC has not paid Sentech;
 - that Sentech appreciates attempts by SABC to pay the R51 million every month is a significant improvement towards normalising the relations and is far better than the lower payments they were making before;
 - that Sentech is committed to restoring relations with the SABC, as demonstrated by Sentech's proactiveness in funding SABC operations for over two years without an agreement;
 - with disappointment that SABC has not paid anything towards the debt;
 - that the inability of SABC to meet its commitments to Sentech has a domino effect on the sustainability of Sentech and may negatively impact its service delivery mandate;
 - that Sentech had an annual cost of R63 million to fund power generation because of loadshedding;
 - that such unintended costs had a negative impact on the operation, revenues and business growth strategy of the Entity;
 - that cash is important for the sustainability of Sentech;
 - with concern that many beneficiaries have yet to receive set-top boxes;
 - that dual illumination is critical for the smooth transition to digital platforms without compromising service delivery for citizens;
 - welcome with excitement the efforts by Sentech to support satellite investment for South Africa to circumvent possible espionage and strengthen security and sovereignty in the wake of geopolitical tensions;
- South Africa does not have the infrastructure to launch satellites, and therefore, collaboration and partnerships with countries that can complement South Africa are important;
- that such partnerships will ensure skills transfer and job creation to ensure South Africa builds capacity for future launches;

- that the total cost to develop, manufacture and operate a satellite for 15 to 20 years is R5.5 billion rands;
- that the cost of Starlink services will be unaffordable to citizens, and the cost of devices is prohibitive, especially for rural communities;
- with appreciation that there are measures that Sentech is exploring to lower the costs for community broadcasters;
- that although it acknowledged the importance of community broadcasters, it was also important that Sentech did not operate at a loss;
- that in the wake of machine-to-machine communications, which rely on robust telecommunications infrastructure, Sentech must be well-positioned to provide reliable digital infrastructure services;
- that cash reserves enable Sentech to sustain operations and expand business ventures;
- that while welcoming Sentech's drive to diversify its business, including to neighbouring countries, the Committee cautions against developing other countries at the expense of South Africa;
- with appreciation that Sentech is positioning itself towards ensuring digital sovereignty for and increasing the Republic's economic competitiveness; and
- that while Sentech has completed the due diligence for acquiring BBI as a subsidiary, the Department has requested Sentech to await the advisory services before proceeding.

7.3.3 Recommendations from the Presentation by Sentech

The Committee delegation made recommendations to the Minister:

- must finalise the appointment of a permanent CEO and CFO at Sentech;
- that as a Shareholder, the Minister must bring the Committee into confidence and ensure the Department provides clarity to the details of the agreement between SABC and Sentech, including on the virement funds, which are meant to cover 6 months of the debt;
- should restore relations between Sentech and SABC and ensure that (i) both Entities enter into a debt payment arrangement agreement; and (ii) the SABC honours the debt payment;
- should ensure that Sentech is empowered to build a sustainable digital ecosystem for South Africa;
- together with the Minister in the Presidency, ensure the sustainability of community radio stations, including digitisation, without incurring losses for Sentech;

- must ensure that the Department prioritises and strengthens connectivity projects in rural areas;
- must ensure that the Department minimises duplication of connectivity projects and data centres country-wide;
- must instill a culture of collaboration and coordination in the implementation of government key programmes;
- must foster stronger coordination between Sentech, SABC, Postbank, and other Entities to address financial and operational challenges;
- should ensure that Sentech accelerates its digital service offerings efforts while ensuring affordability and accessibility for all communities;
- should ensure that Sentech is provided with enough resources to strengthen professionalism and management for installers;
 - ensure market-related payments to installers for work done;
 - ensure procurement of goods and services from companies owned by women and people with disabilities;
 - expand on existing initiatives to grow the ICT SMME sector to be sustainable.

The Committee is excited by Sentech and its satellite project and will continue to pay special attention to it because of its strategic importance in building digital sovereignty, limiting exposure to geopolitical wargames, and growing the country's global competitiveness.

The Committee will continue to closely monitor and resolve the debt dispute between Sentech and the SABC. It will also monitor the interrelationships and collaboration of Entities reporting to both Ministers reporting to the Portfolio Committee.

It is alarming that the SABC failed to inform the Committee about the NT's application and approval of the R154 million virement during the in-committee meeting on February 24, 2025. As a matter of urgency, the SABC should report to the Committee on the status of the virement funds to pay Sentech transmission costs.

The Committee will engage the government in reinstating its contribution to the sustainability of the community broadcasting sector as an important pillar of the new democratic dispensation. This will ensure media plurality, preservation and development of indigenous languages, and the creation of platforms for the government to communicate with citizens while strengthening citizens' participation in democratic processes.

The Committee urges the Minister to conclude and finalise the digital switchover date. Dual illumination is a burden for Sentech because obsolete analogue technology requires costly in-house capability to service. There is no international support for analogue technology, which is a liability for Sentech revenues and counterproductive to government intentions for establishing a digital economy.

8. Oversight Visit Day Five—28 February 2025 Sedibeng District

The digital switch-over and the broadband SA Connect policy implementation remain challenges that require consistent oversight to ensure that USO conditions and quality of service in terms of network uptime, speed, congestion, and reliability are met.

The Committee conducted oversight of the two value chains in the Sedibeng District by visiting households and Points of Presence for DTT and SA-Connect, respectively. The Committee also visited the district's Thetha FM, Sedibeng FM, Sasolburg News, and Bua Sedibeng Community News.

8.1 Visit to Thetha FM Community Radio Station

The delegation visited Thetha FM, a community radio station located in the Sedibeng District Municipality. The station faces many challenges including operating with an expired licence, debt to Sentech for transmission costs and allegations of Political interference.

The station has 45 full-time staff and approximately 270,000 listeners. Its licence expired in October 2023, leading to three years of non-compliance to date. The station has used its own funds to take ICASA to court over the licence expiry, but ICASA has delayed the process by constantly requesting postponements.

The station opted for the court process based on a clause that allows it to continue to broadcast and the precedent set by ICASA with commercial broadcasters. It did not exploit the ICASA process to appeal the licence suspension for noncompliance. The station averages R500 000 monthly revenue and is the biggest station in the Sedibeng District.

There are ongoing threats to report the station to ICASA due to political coverage, and there are claims that the radio station continues to be used for political gains.

The Committee delegation observed and noted:

- that the absence of the full complement of the Board to welcome the Committee was undesirable;

- with appreciation that the station is celebrating its 20th anniversary this year and one of its founders is still active as a board member;
- that the station faces challenges with licencing and political interference;
- that political interference is what led to licence issues on compliance;
- that there is a high contestation for airtime by political parties during the electioneering periods;
- with concern that the station has an ongoing court case with ICASA;
- that the station owes transmission costs to Sentech;
- that the MDDA funds the station's equipment;
- with appreciation that the station acknowledges the debt to Sentech of R343 000;
- that the station does business with GCIS, but generally, there is minimal support from government;
- that advertising supports revenue, albeit minimal;
- with concern that there are claims that the radio station is being used for political gains;
- with concern that crime is rife in the community and there is a lack of service delivery by the municipality, the station works towards addressing challenges facing the community;
- with appreciation, the station has been supporting SASSA with interviews for the Postbank migration project;
- with concern that current audience measurement tools do not service the community broadcasting sector;
- that MDDA requires R15 million to fund audience measurement of community media;
 - with concern that costs associated with audience measurement are exorbitant in general;
 - and
- that licence regulations dictate that stations should provide an equitable share of airtime between political parties.

8.2 Engagement with Loxion News Community Newspaper

While at Theta FM, the Committee delegation was introduced to Mr Fanelo Maseko, the founder and editor of Loxion Newspaper. Loxion Newspaper currently does not have office space. Mr Maseko detailed the newspaper's establishment and funding challenges. Funding from the MDDA helped publish in multiple languages, but later applications were declined.

There were allegations of political interference, bribery demands, and a lack of municipal support, which resulted in the newspaper's demise. The Committee expressed concerns about MDDA's limited

support for community print media. The newspaper used to publish fortnightly. Previously, it was a weekly newspaper before the funding challenges. It is now a monthly publication, mostly capitalising on the online publication platform because it lacks funds.

The newspapers are published in isiZulu, Sesotho and English, but their languages have been cut because there's no funding. Sadly, translations require intensive human capital and a lack of funds forced the project to consider utilising English only. The lack of support from Emfuleni Municipality is worrying, despite the newspaper's relevance to the surrounding communities. The community newspaper was an 8-page publication, but the pages were reduced due to a lack of funding.

The Department of Social Development, the National Treasury, and the Gauteng Legislature generally provide some support, but it is not enough to sustain the newspaper.

The Committee delegation observed and noted:

- with appreciation for the positive contribution made by Loxion News despite funding challenges;
- with concern the allegation of bribery demands by a municipal official in exchange for funding the community project;
- that this is a criminal matter that led to the demise of the project;
- that there is no funding continuity and sustainability support from MDDA;
- with disappointment that unmet expectations almost led to the breakdown of the relationship between MDDA and AIP;
- with great concern that there are no funds available to support print media;
- with disappointment that the National Treasury does not support the disbursement of funds to community projects; and
- with disappointment that MDDA can only support 6 publications per year.

8.3 Visit to Households with the Broadband Project in Sedibeng District

The Committee delegation visited households connected through the Broadband Access Fund (BAF), which partners with local SMMEs. Minimum speeds of up to 23 Mbps form part of the package deal, aiding businesses, education, and household daily activities. Pricing models range from R283 (basic package) to R457 (uncapped package) per month. There are 5000 BDM installations in the Sedibeng District. Beneficiaries praised the project but raised concerns about aftercare services and competitive services.

8.4 Visit to Sedibeng FM Community Radio Station

Sedibeng FM Community Radio Station was established in 2012 and aired in 2014. It is self-funded and has not received funding from MDDA. The station focuses on community topics, especially boy child issues. Revenue generation varies monthly, averaging R150 000 per month; therefore, the radio station has financial stability concerns.

The station has never been a beneficiary of the MDDA, but has applied before and was declined. No correspondence was ever received as to why the funding application was declined. The station self-provides signal distribution and is not exposed to Sentech tariffs. It is a National Community Radio Forum member, which enables the station to share resources, including equipment, with other association members. There is some support from the District Municipality and GCIS but no support from the Emfuleni Municipality. The station has six board members, and the staff is not permanent.

The Committee delegation observed and noted:

- that the BRC audience ratings are contentious because it is not clear how they collect data;
- with concern, the delays in the payment of invoices by the government have a negative impact on the running of the station;
- that the MDDA is in the process of digitalising the grant application process;
- with appreciation that the municipality donated land to the station to set up transmission equipment for self-distribution;
- that the station invested R200 000 for once-off transmission costs;
- and have their own ECNS, Broadcasting licences
- that the cost for an ECNS licence is R10,000 per year
- that the station broadcasts 65 per cent in isiZulu, with English and isiXhosa, making up the other broadcast slots;
- that the station needs to invest in digital studio equipment;
- the appreciation of the passion of people running community media projects.

8.5 Visit to DTH Household

The Committee delegation visited a household that migrated to DTH via Sentech and USAASA.

The house owner indicated there were issues with picture quality, which were subsequently resolved.

Sentech officials indicated that residents were trained on how to operate their televisions.

8.6 Recommendations from the SA Connect, DTT and Community Media Projects in Sedibeng District

The Committee delegation recommended that the Minister in the Presidency should:

- ensure better coordination and support for community projects from the MDDA and municipalities;
- in consultation with the Minister of DCDT, ensure fair media representation in communities and support programmes on compliance with regulations for community radio stations;
- ensure that MDDA interacts more with community radio stations to promote good governance, broadcasting in the interest of communities, how to prevent undue influence and generally encourage sustainability through further training and development;
- together with the Minister of DCDT, ensure debt repayment plans are in place for community radio and enough support is provided to stations for the review process of licences to prevent shutdowns;
- ensure that community media independence is protected from undue political interference;
- ensure the MDDA strengthens aftercare support systems to assist beneficiaries with technical issues.
- prioritise community print media and ensure sustainable support;
- ensure the Competition Commission review the allocation of funds and advertising practices to prevent corruption;
- ensure that a criminal case is opened regarding the bribery allegations at Theta FM;
- ensure that MDDA increases engagement with struggling community radio stations and newspapers;
- ensure that MDDA's funding model is reviewed to ensure fair distribution and sustainability;
- that the Theta FM station should serve as an example of non-compliance that is endemic to the problems faced by many community projects, and should the matter not be resolved amicably, 277,000 listeners will be deprived of a local communication platform they rely on for news and information.
- that the MDDA should provide consistent training for compliance, especially to ensure that stations do not get bullied;
- ensure that dictation by funders to community projects is addressed;
- ensure distribution of community print media to schools; and
- ensure support for the community media ecosystem, including engagements with traditional leaders, municipalities and district structures for standardisation.

It is the responsibility of the Minister in the Presidency to ensure adequate funding and sustainability of community media in South Africa to guarantee the inclusivity of all citizens in building an equitable society for all. The Committee urges the Minister in the Presidency to collaborate with the Minister of DCDT to find lasting solutions for the sustainability of the community media sector.

The Committee delegation recommended that the Minister of DCDT should:

- ensure continued expansion and monitoring of broadband access projects;
- ensure that ICASA refines the licence renewal process to avoid unnecessary disruptions to broadcasting services for communities;
- that all stations are mandated to ensure fair allocation of airtime to all political parties, especially during the election period;
- ensure that Broadband rollout is accelerated to achieve 100% community connectivity;
- with the Minister in the Presidency, ensure that ICASA and MDDA intensify the collaborative workshops on compliance with community radio stations;

The Committee will contribute towards finding a solution for all community media by holding both Ministers accountable to the recommendations of this report.

8.7 Visit to Sentech Brixton Tower

The Committee delegation visited the Brixton Tower and observed the difference between analogue and digital transmitters. The delegation received various demonstrations of equipment that made signal propagation possible and had the opportunity to climb the tower and get a picturesque view of Johannesburg.

The Brixton Tower was built in 1961 and stands 237 meters tall, making it one of the tallest structures in the city and in Africa.

It was originally constructed for the South African Broadcasting Corporation (SABC) to facilitate radio and television transmissions. It is now fully operated by Sentech and is a national key point under the state-owned signal distribution company. The site's primary function is radio and television broadcasting and signal distribution to various broadcasters.

Report to be considered

4. Report of the Portfolio Committee on Basic Education on Budget Vote 16: Basic Education, dated, 8 July 2025.

The Portfolio Committee on Basic Education having considered Budget Vote 16: Basic Education, together with the Basic Education 2025/26 Annual Performance Plans and 2025-2030 Strategic Plan of the Department of Basic Education and its Statutory Bodies, reports as follows:

1. Introduction

1.1 The Portfolio Committee on Basic Education considered the 2025/26 Annual Performance Plan (APP) and 2025-2030 Strategic Plan of the Department of Basic Education (DBE) and the two (2) Statutory Bodies i.e. the South African Council for Educators (SACE) and the Council for Quality Assurance in General and Further Education and Training (Umalusi) as follows:

- DBE:
 - Original APP 2025/26 – Engagement on 22 April 2025
 - Revised APP 2025/26 – Engagement on 17 June 2025
- SACE – Engagement on 24 April 2025
- Umalusi – Engagement on 24 April 2025

1.2 The budget review briefings served to acquaint the 7th Parliamentary Portfolio Committee with the mandates, programmes, and priorities of the Department.

1.3 Attendees that appeared before the Portfolio Committee during the Budget Review sessions included the following:

1.3.1 Department of Basic Education (DBE): Mr H Mweli: Director-General, Mr P Khunou: Chief Finance Officer, Mr S Padayachee: Deputy Director-General, Dr B Mthembu: Deputy Director-General, Ms S Geyer: Deputy Director-General, Dr G Whittle: Deputy Director-General, Ms S Faker: Deputy Director-General, Mr R Mafoko: Chief Director, Ms E Mmola: Director, Adv N Mashigo: Chief Director, Ms L Maje, Director, Mr T Rabotapi: Acting Deputy

Director-General, Dr R Poliah: Chief Director, Ms S Mosimege: Chief Director, Ms N Mbonambi: Director, Mr L Mahada: Director, Ms C Van Wyk, Deputy Director, Ms H Love: CAC, Ms Y Holden: Deputy Director, Ms P Mphigalale: Minister Support, Mr N Molai: Deputy Director and Mr A Hlatshwayo: Parliamentary Liaison Officer.

1.3.2 South African Council for Educators (SACE): Ms E Mokgalane: Chief Executive Officer, Mr M Mapindani: Chief Finance Officer, Ms V Hofmeester: Exco Member, Ms T Sophethe: Acting Head, Ms N Lechaba: Head, Mr R Nkuna and Ms G Bowles.

1.3.3 The Council for Quality Assurance in General and Further Education and Training (Umalusi): Dr M Rakometsi: Chief Executive Officer, Mr H van der Walt: Chief Finance Officer and Ms M Mokoena: Senior Manager.

1.4 This report gives a brief summary of the presentation made by the Department of Basic Education (DBE) to the Committee, focusing mainly on the Department's 2025/26 Annual Performance Plan, 2025-2030 Strategic Plan, the 2025 Medium Term Expenditure Framework (MTEF) allocations, and the overview of allocations per programme. The report also provides the Committee's key deliberations and recommendations relating to the Vote.

1.5 Copies of all presentations on the Budget Review of the Department of Basic Education (DBE), SACE and Umalusi were available from the office of the Committee Secretary.

2. Department of Basic Education (DBE) Overview of the Annual Performance Plan (APP) for 2025/26

2.1 Background - The Department outlined the approach to Government-wide National Development Plan (NDP) priorities and the Education sector priorities based on the *NDP 2030, Medium Term Development Plan (MTDP) 2024 - 2029 and Action Plan*. The 2025-2030 Strategic Plan is anchored on the Government's long-term plan; the *National Development Plan 2030: Our future – make it work*,

the MTDP 2025-2030 and the Action Plan. The Annual Performance Plan (APP) sets out what the Department intends to do in the financial year and during the Medium-Term Expenditure Framework (MTEF) period to implement its Strategic Plan. In fulfilling its legal obligation, the Department must produce and table the Strategic Plan every 5 years and can be amended during the five-year period it covers. The APP 2025/26 represents the first year of activities towards achieving the objectives contained in the DBE 2025 – 2030 Strategic Plan.

2.2 Medium Term Development Plan 2024 – 2029 Priorities - The Government of National Unity has resolved to dedicate the next five years to actions that will advance three strategic priorities i.e.

- i) Drive inclusive growth and job creation.
- ii) Reduce poverty and tackle the high cost of living.
- iii) Build a capable, ethical and developmental state

These three priorities formed the 2024-2029 Medium-Term Development Plan Framework. The Department gave a detailed overview of the 2024-2029 MTDP outcome indicators, interventions and programmes in respect of “*Outcomes: improved education outcomes and skills*”.

2.3 State-of-the-Nation Address (SONA) Priorities (2025) – The Presidential pronouncements contribute to setting the key government priorities and deliverables:

- In turn, determine the priorities of the DBE and the basic education sector broadly.
- The pronouncements commit the DBE, in public, to key activities and outcomes.
- It is important to ensure and show alignment with current annual plans for the DBE and for the sector.

In respect of the SONA 2025, the Department highlighted the following as per the pronouncements from the President:

- Expand access to ECD for every child
- Improving literacy and numeracy skills among learners

The Committee was also briefed on the progress in selected key deliverables in respect of the following:

- ASIDI overall progress per sub-programme.
- Percentage of NSC performance 2018 - 2024.
- Bachelor passes since 1994.
- Special Needs Education (SNE) learners who passed NSC in 2024.
- Programme 2 Workbooks delivery status.
- Programme 3 graduates placed
- Programme 5 NSNP
- Placement of Funza Lushaka graduates; and
- National School Nutrition Programme.

2.4 Approach to the Strategic and Annual Performance Plans - The outcomes were broad to consolidate work contributed by the sector to encourage joint planning than working in silos by individual programmes to reflect the aspirations at an organisational level including the support to PEDs. The approach to outcomes assisted with clustering delivery areas which related to strategic outcomes rather than just listing programmes and what they did. Interventions that contributed to school preparedness were in different parts of the department. The strategic delivery areas and outputs bridged the gap between medium-to-long-term outcomes, short-term annual outputs and indicators in describing the intended change for the education system. Using the Theory of Change reflects how the DBE could influence outcomes through its functions of developing policy, monitoring, and oversight (NEPA). In observation DBE.

- Results model to identify the critical success factors and deliverables of the sector to ensure NDP and sector outcomes were achieved.
- Evidence-based change in DBE, showing leadership of DBE working through with provinces.
- Branches have been engaged in the development of the Strategic Plan, APP, and the MTDP.

2.5 Oversight Findings on the Draft Strategic Plan an Annual Performance Plan

– The Department highlighted the implementation of the findings of the Department

of Planning Monitoring and Evaluation (DPME) and the Office of the Auditor-General of South Africa (AGSA). All findings raised by oversight bodies were discussed with programmes implicated and presented in management meetings. Actions and responses were provided to all the findings.

2.6 The DBE 2025 - 2030 Strategic Plan – The Strategic Priorities were outlined as follows:

- Early Childhood Development
- Literacy, Numeracy and Mother-tongue-based Bilingual Education
- Inclusive Education, Health Promotion and Social Cohesion
- Improving Curriculum Delivery
- Infrastructure Delivery, Learner Transport and School Safety

The Department also highlighted the impact statement, outcomes and indicators for the various priorities listed. This included the link between DBE outcomes and outputs.

- Outcome 1: Effective governance and administration systems
- Outcome 2: Improved access to Early Childhood Development programmes
- Outcome 3: Improved learning outcomes
- Outcome 4: Improved infrastructure facilities
- Outcome 5: Improved inclusivity in Curriculum implementation.
- Outcome 6: Improved teacher capacity and professionalism
- Outcome 7: Enriched learning

2.7 The DBE 2025/26 Annual Performance Plan (including the Revised 2025/26 Annual Performance Plan) - The activities of the Department have been structured into five programmes as elaborated in the Annual Performance Plan:

- Programme 1: Administration.
- Programme 2: Curriculum Policy, Support and Monitoring.
- Programme 3: Teachers, Education Human Resources and Institutional Development.
- Programme 4: Planning, Information and Assessment; and
- Programme 5: Educational Enrichment Services.

For the 2025/26 Annual Performance Plan there was a combined total of 66 performance indicators for all five programmes of the Department – and could be broken down into 40 (60.61 percent) annual targets, 24 (36.36 percent) quarterly targets and two (2) (3.03 percent) bi-annual targets.

2.7.1 With the Revised 2025/26 APP, the following new indicators were added to align to the MTDP 2024 – 2029:

Output Indicator		2025/26	2026/27	2027/28
2.1.11 Number of candidates achieving 60% and above in Mathematics in the National Senior Certificate (NSC) examinations	New	44 789	44 944	45 099
2.1.12 Number of candidates achieving 60% and above in Physical Science in the National Senior Certificate (NSC) examinations	New	35 789	36 944	37 999
3.4.1 Number of job opportunities created through the Basic Education Employment Initiative.	New	200 000	-	-

2.7.2 With the Revised 2025/26 APP, the following were Amendments to the Strategic Plan: New baseline and five-year targets:

MTDP Priority 2: Reduce poverty and tackle the high cost of living					
Outcomes	Outcome Indicators	Baseline	New Baselines	Five-year target	New Five-year target
3. Improved learning outcomes	3.4 Percentage of candidates achieving 60% and above in Mathematics and Physical Science Subjects	Mathematics: 16.3% Physical Science: 17.6%	Mathematics: 17.7% Physical Science: 18.1%	Mathematics: 26.3% Physical Science: 27.6%	Mathematics: 22.6% Physical Science: 19.3%

Targets in the published MTDP were not in line with the DBE data and baseline

2.8 Programme 1: 2025/26 APP

2.8.1 Annual Outcome Indicators:

- **Number of capacity building programmes offered to the DBE officials** – The target set by the Department stood at 18 capacity building programmes for 2025/26.
- **Number of advisory reports on school education-related matters prepared for the Minister of Basic Education by the National Education and Training Council** - The target set by the Department was two (2) advisory reports.

2.8.2 Quarterly Outcome Indicators:

- **Percentage of valid invoices paid within 30 days upon receipt by the Department** – The target set by the Department stood at 100 percent.
- **Number of reports on misconduct cases resolved within 90 days and submitted to the DBSA** – The annual target set by the Department was four (4) – one (1) per Quarter.
- **Number of Schedule 4 and 5 Conditional Grants Quarterly Performance Reports submitted to National Treasury (NT) 45 days after the end of each quarter** - The annual target set by the Department was 28 – seven (7) per Quarter.

2.9 Programme 2: 2025/26 APP

2.9.1 Annual Outcome Indicators:

- **Number of Children/Learners taught using the Learning Programme for C/LPID** – The Department's target is set at 4 257 children/learners
- **Number of learners experiencing barriers supported through Screening, Identification, Assessment and Support (SIAS)** - The target is set for 51 000.
- **Number of children benefitting from the Early Childhood Development (ECD) subsidy** - The Department's target is set at 950 000 children.
- **Number of children accessing registered ECD programmes** - The Department's target is set at 1 000 000 children.

- **The development of an Early Childhood Administration and Reporting System (eCares)** – The target is for an approved User Acceptance Testing report on the development of an Early Childhood Administration and Reporting System (eCares).
- **Children’s Amendment Bill [2025] drafted for introduction to Parliament** - - The Department’s target is set for the 2025 Children’s Amendment Bill drafted, thus amending the last Children’s Amendment Act 17 of 2022.
- **Number of children benefitting from the Early Childhood Development (ECD) subsidy** - The Department’s target is set at 950 000 children.
- **Number of districts monitored on the implementation of the National Curriculum Statement (NCS) for Grade 10 – 12** - The Department’s target is set at 15 districts.
- **Number of provinces monitored for extra-support classes to increase the number of learners achieving Bachelor-level passes** - The Department’s target is set at nine (9) provinces.
- **Number of schools participating in the General Education Certificate (GEC)** - The Department’s target is set at 4 000 schools.
- **Number of special schools offering Occupational or Vocational subjects** - The Department’s target is set at 165 schools.
- **Revised History Curriculum and Assessment Policy Statement (CAPS) for Grades 4 – 12 submitted to Umalusi** - The Department’s target is for a revised History CAPS for Grades 4 – 12 be submitted to Umalusi for appraisal.
- **Number of schools monitored on the availability of readers** – The Department’s target is set at 72 schools (8 per province).
- **Percentage of public school provided with Life Skills Workbooks for learners in Grade 1 – 3 per year, after having placed an order** - The Department’s target is set at 100 percent.

- **Percentage of public school provided with Home Language Workbooks for learners in Grade 1 – 6 per year, after having placed an order** - The Department's target is set at 100 percent.
- **Percentage of public school provided with Mathematics Workbooks for learners in Grade 1 – 9 per year, after having placed an order** - The Department's target is set at 100 percent.
- **Percentage of public school provided with Workbooks for learners in Grade R per year, after having placed an order** - The Department's target is set at 100 percent.
- **Number of teachers trained in inclusive education** - The Department's target is set at 10 200 teachers.
- **Number of learners with disabilities enrolled in special schools** - The Department's target is set at 141 000 learners.
- **Number of learners with disabilities enrolled in ordinary public schools** - The Department's target is set at 67 125 learners.

2.9.2 Quarterly Outcome Indicators:

- **Number of Technical schools monitored for implementation of Curriculum and Assessment Policy Statements (CAPS)** – The target set by the Department is 27 schools monitored (9 in Quarters 1, 2 and 4).
- **Number of schools monitored for implementing entrepreneurship education** - The target set by the Department is 270 schools (30 per province).
- **Number of schools monitored on the implementation of the reading norms** - The target set by the Department is 27 schools (6 in Q1, 9 in Q2, 9 in Q3 and 3 in Q4).
- **Number of schools monitored on the implementation of the Incremental Introduction to African Languages (IIAL)** - The target set by the Department is 27 schools (6 in Q1, 9 in Q2, 9 in Q3 and 3 in Q4).

- **Number of underperforming schools monitored on the implementation of the Early Grade Reading Assessment (EGRA)** - The target set by the Department is 36 schools (6 in Q1, 12 in Q2, 12 in Q3 and 6 in Q4).
- **Number of schools with multi-grade classes monitored for implementing the multi-grade toolkit** - The target set by the Department is 45 schools (6 in Q1, 15 in Q2, 15 in Q3 and 9 in Q4).
- **Number of districts monitored on the implementation of the National Reading Literacy Strategy** - The target set by the Department is 9 districts (2 in Q1, 3 in Q2, 3 in Q3 and 1 in Q4).
- **Number of schools monitored on the availability of Grades 3, 6, 9 and 12 Mathematics and English First Additional Language (EFAL) textbooks** - The target set by the Department is 288 schools (32 per province).
- **Number of subject specialists orientated in Mother-tongue-based Bilingual Education (MTbBE)** - The target set by the Department is 296 subject specialists.
- **Number of participants reached through advocacy sessions on Mother-tongue-based Bilingual Education (MTbBE)** - The target set by the Department is 1 063 participants.

2.9.3 Bi-Annual Outcome Indicators:

- **Number of learners obtaining subject passes towards a National Senior Certificate (NSC) or Senior Certificate (amended) SC(a) supported through the Second Chance Matric Programme per year** - The target set by the Department is 100 000 learners.

2.10 Programme 3: 2025/26 APP

2.10.1 Annual Outcome Indicators:

- **Percentage of School Governing Bodies (SGBs) that meet the minimum criteria in terms of effectiveness** – The Departments target is set at 70 percent of 1 000 sampled schools.
- **Percentage of schools producing the minimum set of management documents at a required standard** - The Departments target is set at 100 percent of 1 000 sampled schools.
- **Number of Funza Lushaka bursaries awarded to students enrolled for Initial Teacher Education per year** - The Departments target is set at 9 931 bursaries awarded.
- **Number of Funza Lushaka bursaries awarded to students enrolled for Initial Teacher Education in the Foundation Phase** - The Departments target is set at 1 490 bursaries awarded.
- **Number of PEDs that had their post-provisioning processes assessed for compliance with the post-provisioning norms and standards** - The Departments target is set at nine (9).
- **Post-Provisioning Norms and Standards Policy drafted** - The Departments target was for a Draft Revised Post-Provisioning Norms and Standards drafted.

2.10.2 Quarterly Outcome Indicators:

- **Number of Provincial Teacher Development Institutes and District Teacher Development Centres monitored on functionality** - The Departments target is set at 78.
- **Number of districts monitored on Foundation Phase teachers trained in Numeracy** - The Departments target is set at 27 districts.
- **Number of districts monitored on Foundation Phase teachers trained in Literacy** - The Departments target is set at 27 districts.
- **Number of schools monitored on the implementation of the Quality Management System (QMS) for school-based officials** - The Departments target is set at 54 schools.

- **Number of districts monitored on implementation of the Education Management Service: Performance Management and Development System (EMS: PMDS) for office-based educators** - The Department's target is set at 17 districts

2.11 Programme 4: 2025/26 APP

2.11.1 Annual Outcome Indicators:

- **Number of schools provided with sanitation facilities per year** - The Department's target is set at 50 schools.
- **Number of classrooms built through the Accelerated School Infrastructure Delivery Initiative** - The Department's target is set at 30 classrooms.
- **Number of General Education and Training (GET) test items developed in Language and Mathematics for Grades 3, 6 and 9** - The Department's target is set at 550 test items developed.
- **Number of question papers set for June and November examinations** - The Department's target is set at 320 question papers.
- **Percentage of public schools using the South African School Administration Management Systems (SA-SAMS) for reporting** - The Department's target is set at 98 percent of public schools.
- **Percentage of learners who remain in school from the beginning of Grade 1 and are retained up to Grade 9** - The Department's target is set at 90 percent of learners.
- **Percentage of learners achieving an acceptable level in emerging Literacy through the Early Learning National Assessment** - The Department's target is set at 78 percent of learners.
- **Percentage of learners achieving an acceptable level in emerging Numeracy through the Early Learning National**

Assessment - The Department's target is set at 68 percent of learners.

- **Number of officials from districts that achieved below the national benchmark in the NSC participating in a mentoring programme** - The Department's target is set at 80 officials.

2.11.2 Bi-Annual Outcome Indicators:

- **Number of underperforming secondary schools monitored at least twice a year by sector officials** - The Department's target is set at 750 underperforming secondary schools monitored.

2.12 Programme 5: 2025/26 APP

2.12.1 Annual Outcome Indicators:

- **Number of professionals trained in SASCE programmes** - The Department's target is set at 900 professionals trained.
- **Number of learners participating at the National School Sport Championship (NSSC)** - The Department's target is set at 1 000 learners.

2.12.2 Quarterly Outcome Indicators:

- **Number of schools monitored on the provision of nutritious meals** – The Department's target is set at 110 schools.
- **Number of schools monitored on the implementation of the HIV/Aids Life Skills Education Programme** - The Department's target is set at 36 schools.
- **Number of districts monitored in the implementation of the National School Safety Framework (NSSF)** - The Department's target is set at 25 districts monitored.
- **Number of stakeholders reached through social cohesion programmes** - The Department's target is set at 5 000 stakeholders reached.

- **Number of participants and stakeholders reached to raise awareness towards ending school-related gender-based violence** – The Department’s target is set at 5 000 participants and stakeholders

2.13 2025 Medium Term Expenditure Framework (MTEF)

2.13.1 2025 MTEF Cabinet Baseline Reductions

	2025/26 R'000	2026/27 R'000	2027/28 R'000
2025 MTEF Indicative Allocation	34 014 578	35 058 615	36 643 983
Departmental baseline	6 509 206	6 807 136	7 114 956
Conditional Grants to Provincial Government	27 505 372	28 251 479	29 529 027
• Learners with profound Intellectual disabilities grant	291 307	304 495	318 264
• Maths, Science and Technology grants	458 991	480 011	501 717
• Early childhood development grant	1 946 256	2 035 405	2 127 447
• Education infrastructure grant	14 233 706	14 372 522	15 022 456
• HIV and AIDS (Life skills education) grant	260 860	272 728	285 061
• National school nutrition programme grant	10 314 252	10 786 318	11 274 082

2.13.2 2025 MTEF Cabinet Baseline Reductions

	2025/26 R'000	2026/27 R'000	2027/28 R'000
2025 MTEF Indicative Allocation	512 645	5 960	9 390
Increase to Baseline			
• Basic Education Schools employment Initiative-teachers assistants-Goods and Services	410 000	-	-
• Buildings and other fixed structures	97 000	-	-
• Compensation of Employees	5 645	5 960	6 232
• Machinery and equipment	-	-	3 158
Reduction to Baseline	(97 000)	(1 321 275)	(1 848 930)
• Building and other fixed structures	-	(1 075 155)	(1 542 772)
• Goods and services	(51 245)	(200 615)	(257 668)
• Households	(40 000)	(40 000)	(40 000)

• Interest and rent on land	(617)	(4 403)	(8 490)
• Machinery and Equipment	(5 138)	(1 102)	-

2.13.3 2025 MTEF Cabinet Baseline Reductions (Continued)

	2025/26 R'000	2026/27 R'000	2027/28 R'000
Adjustments to Conditional Grants	1 058 961	2 582 658	1 857 692
Conditional Grants to Provincial Government	1 058 961	2 582 658	1 857 692
• Learners with profound Intellectual disabilities grant	1 735	1 862	1 949
• Maths, Science and Technology grants	131	140	147
• Early childhood development grant	276	100 296	110 0
• Education infrastructure grant	1 051 514	2 474 669	1 739 326
• HIV and AIDS (Life skills education) grant	843	904	947
• National school nutrition programme grant	4 462	4 787	5 013
2025 MTEF ALLOCATIONS	35 489 184	36 325 958	36 62 135

2.13.4 Programmes Allocation over the 2025 MTEF

Programme	2025/26 R'000	2026/27 R'000	2027/28 R'000
Administration	646 354	662 461	689 876
Curriculum Policy, Support and Monitoring	4 694 170	4 891 848	5 121 540
Teachers, Education Human Resources and Institutional Development	1 892 775	1 553 389	1 626 409
Planning, Information and Assessment	17 588 257	18 064 468	17 565 537
Educational Enrichment Services	10 667 628	11 153 792	11 658 773
Total	35 489 184	36 325 958	36 662 135

2.13.4 Programmes Allocation comparative of 2024/25 and 2025/26

Programme	2024/25 R'000	2025/26 R'000	Variance R'000
Administration	616 134	646 354	30 220

Curriculum Policy, Support and Monitoring	4 106 083	4 694 170	588 087
Teachers, Education Human Resources and Institutional Development	1 438 697	1 892 775	454 078
Planning, Information and Assessment	16 345 412	17 588 257	1 242 845
Educational Enrichment Services	10 129 097	10 667 628	538 531
Total	32 635 423	35 489 184	2 853 761

2.13.5 Economic Classification Budget over 2025 MTEF

Economic Classification	2025/26 R'000	2026/27 R'000	2027/28 R'000
Compensation of employees	669 289	699 624	731 264
Goods and services	3 259 466	2 672 586	2 724 603
Interest and Rent on Land	34 445	32 265	29 836
Transfers and subsidies	30 155 388	32 492 224	33 142 450
Payments of capital assets	1 370 596	429 259	33 982
Total	35 489 184	36 325 958	36 662 135

2.13.6 Economic Classification comparison of 2024/25 and 2025/26

Economic Classification	2024/25 R'000	2025/26 R'000	Variance R'000
Compensation of employees	626 530	669 289	42 759
Goods and services	2 717 768	3 259 466	541 698
Interest and Rent on Land	35 870	34 445	-1 425
Transfers and subsidies	27 954 180	30 155 388	2 201 208
Payments of capital assets	1 301 075	1 370 596	69 521

Total	32 635 423	35 489 184	2 853 761
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2.13.7 Details of Earmarked Allocations (R' 000) over the 2025 MTEF

Earmarked Funds	2025/26 R'000	2026/27 R'000	2027/28 R'000
Workbooks	1 283 381	1 340 625	1 401 221
Matric Second Chance Programme	39 536	41 367	43 237
ECD Resource packages	150 000	-	-
Early Grade Reading	-	20 000	22 000
ECD Result-Based financing Initiative	100 000	104 581	109 308
Basic Education Employment Initiative: Training	400 000	-	-
Basic Education Employment Initiative: Prog Management	10 000	-	-
Infrastructure oversight: CoE	-	12 760	13 302
Infrastructure oversight: Goods & Services	-	46 040	51 568
Mother tongue-based bilingual education	15 000	20 000	22 000
ECD Nutrition Pilot	236 000	249 561	260 841
School Infrastructure Backlog Indirect Grant	1 626 680	450 000	-
Total: Earmarked Funds	3 860 597	2 284 934	1 923 477

2.13.8 Details of Earmarked Allocations (R' 000) comparison of 2024/25 and 2025/26

Earmarked Funds	2024/25 R'000	2025/26 R'000	Variance R'000
Workbooks	1 415 978	1 283 381	(132 597)
Matric Second Chance Programme	38 551	39 536	985

ECD Resource packages	-	150 000	150 000
ECD Result-Based financing Initiative	-	100 000	100 000
Basic Education Employment Initiative: Training	-	400 000	400 000
Basic Education Employment Initiative: Prog Management	-	10 000	10 000
Mother-tongue-based Bilingual Education	-	15 000	15 000
ECD Nutrition Pilot		236 000	236 000
School Infrastructure Backlog: Indirect Grant	1 827 331	1 626 680	(200 651)
Total: Earmarked Funds	3 281 860	3 860 597	578 737

2.13.9 Details of Conditional Grants Allocations/Transfers (R'000) over the 2025 MTEF

Conditional Grants	2025/26 R'000	2026/27 R'000	2027/28 R'000
Learners with Profound Intellectual Disabilities Grant	293 042	306 357	320 213
Maths, Science and Technology Grant	459 122	480 151	501 864
Early Childhood Development (ECD) Grant: Subsidy	1 784 954	1 866 725	1 951 140
ECD Grant: Infrastructure	161 578	268 976	286 617
Education Infrastructure Grant	15 285 220	16 847 191	16 761 782
HIV and Aids (Life Skills) Grant	261 703	273 632	286 008
National School Nutrition Programme Grant	10 318 714	10 791 105	11 279 095
Total Conditional Grants	28 564 333	30 834 137	31 386 719

2.13.10 Comparison of Details of Conditional Grants Allocations (R'000) for 2024/25 and 2025/26

Conditional Grants	2024/25 R'000	2025/26 R'000	Variance R'000
Learners with Profound Intellectual Disabilities Grant	278 947	293 042	14 095
Maths, Science and Technology Grant	443 842	459 122	15 280
Early Childhood Development Grant	1 589 075	1 946 532	357 457
Education Infrastructure Grant	14 002 440	15 285 220	1 282 780
HIV and Aids (Life Skills) Grant	249 742	261 703	11 961
National School Nutrition Programme Grant	9 798 106	10 318 714	520 608

Total Conditional Grants	26 362 152	28 564 333	2 202 181
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3. Overview of Strategic Imperatives and Budget Allocations of the Department's Statutory Bodies

3.1 South African Council for Educators (SACE)

SACE (the Council) presented the Council and Executive Authority approved 2025 – 2030 Strategic Plan and 2025 – 26 Annual Performance Plan (APP) and Budget. The presentation commenced with details pertaining to the founding legislative and policy environment SACE worked within – including supportive legislation and policy environment, regional and international policy environment. Further to this the Council broadly outlined the following areas:

- Impact Statement
- Programme structure
- Values of the Teaching Profession
- Institutional Impact and Outcomes 2025 – 2030
- Pestel Analysis
- SWOT Analysis (strengths and weaknesses)

3.1.1 Strategic Priorities for 2025 – 2030 – The Council briefed the Committee on the strategic priorities of SACE for 2025 – 2030 which included:

- Professionalised Early Childhood Development
- Integrated provisional registration and professional certification
- Enhanced collaborative regulation and enforcement of ethics and professional standards
- Strengthened SACE's image and brand
- Strengthened digital technologies and integrated systems
- Effective research dissemination in the teaching profession
- Developed SACE turnaround HRD strategy and change management
- SACE decentralisation

3.1.2 Annual Performance Plan 2025 – 26 (Measuring Performance) – the five (5) programmes of SACE were structured as follows:

- Programme 1 – Administration
- Programme 2 – Professional Registration and Certification
- Programme 3 – Ethical Standards
- Programme 4 – Professional Development Quality Management and Assurance
- Programme 5 – Research and Policy Coordination

3.1.2.1 Programme 1 – Administration (Governance, Planning/M&E/Reporting, Communication and Stakeholder Relations, Performance Evaluation and Development System, Financial Management, Staff Development and ICT)

Output Indicators:

- **Number of Council and EXCO meetings convened in a quarter** – The SACE target is set at 10 meetings convened.
- **Number of approved quarterly performance reports submitted to oversight authorities within 30 days after the end of the quarter** – The SACE target is set at four (4) reports submitted.
- **Percentage of employees who achieved satisfactory levels through performance evaluation development system annually** – The target is set at 60 percent.
- **Number of campaigns implemented to inspire the credibility of the teaching profession (Focus: corporal punishment, sexual misconduct, violence against teachers and promoting the SACE brand)** – The target is set at 2 campaigns.
- **Communication and stakeholder relations strategy approved by Council** – The target is set at an approved Communication and stakeholder relations strategy.
- **Percentage of eligible invoices paid within 30 days of receipt** – The target is set at 100 percent of invoices paid.
- **Number of ICT systems implemented within a financial year (finance, research, registration, internal audit, communication,**

ethics, planning, teacher professionalisation, enhancement of provider management module, migration of all core systems into Microsoft Dynamics) - The target is set at 11 systems implemented.

3.1.2.2 Programme 2 – Professional Registration and Certification

The Council detailed the powers and duties on professional registration and certification as well as the registration categories.

Output Indicators:

- **Percentage of registration applications with criminal offences (minor/major) finalised within 14 days (minor) and 90 days (major) - The SACE target is set at 80 percent.**
- **Number of schools monitored on professional registration status of employed educators in a year - The SACE target is set at 108 schools.**
- **Development of professionalisation framework for Early Childhood Development (ECD) practitioners/educators by the end of 2026/27 financial year - The SACE target is for a Draft ECD Practitioner/Educator Professionalisation Framework developed by the end of the financial year.**
- **Number of teaching practice Memorandum of Understanding (MOU) established with Higher Education Institutions by the end of the financial year – The SACE target is set at 13 MOUs.**
- **Number of Higher Education Institutions supported on the Code of Professional Ethics for student teachers by the end of the financial year - The SACE target is set at 15 institutions.**
- **Number of approved projects for implementing the teacher professionalisation pat (on focus areas 1 – 8) in place by the end of the financial year – The SACE target is set at 2 projects.**

3.1.2.3 Programme 3 – Ethical Standards

The Council highlighted its powers and duties on professional ethics as well as the current caseload as of 12 April 2025. The Council also alluded to the factors contributing to teacher sexual misconduct in and outside the school

environment. Further to this, SACE also touched on their investigation in the “Cwecwe Case”.

Output Indicators:

- **Number of rolled-over cases finalised through investigations and/or mediations and/or ETHCOM recommendations in a financial year**
– The SACE target was set at 600 cases.
- **Number of rolled-over disciplinary hearings/cases finalised after ratification by the ETHCOM (as delegate by Council) in a year** –
The target is set at 120 cases.
- **Percentage of finalised sanctions submitted to teacher employers for enforcement after the appeal process within a year**– The target was set at 100 percent.
- **Percentage of relevant sanctions submitted to the Department of Social Development’s National Child Protection Register in a year** -
The target was set at 100 percent of sanctions.
- **Percentage of cases referred to other institutions in a financial year**
– The target was set at 100 percent of cases.

3.1.2.4 Programme 4 – Professional Development Quality Management and Assurance

The Council highlighted its powers and duties on professional development and quality management as well as the management and participation in the CPTD System (and the types of professional development).

Output Indicators:

- **Number of educators supported on professional matters in selected districts in a financial year** – The SACE target is set at 20 000 educators.
- **Percentage of approved providers offering ECD and Grade R Programmes** - The SACE target is set at 30 percent.
- **Percentage of professional development programmes and/or activities endorsed in line with line or more professional teaching standards in a financial year** - The SACE target is set at 40 percent.

- **Monitoring of endorsed professional development programmes sessions per year** - The SACE target is set at 50 programmes.

3.1.2.5 Programme 5 – Research and Policy Coordination

- **Number of research reports produced within a financial year** - The SACE target is set at two (2) research reports produced.
- **Produced research disseminate to the profession and stakeholders** - The SACE target is set at two (2) produced research.

3.1.3 Financial Resources – SACE

3.1.3.1 MTEF for the Period 2025/26 to 2027/28

	2022/23	2023/24	2024/25	2025/26 Medium Term	2026/27 Medium Term	2027/28 Medium Term
	Audited	Audited	Budget			
Income	128 408	129 372	151 809	123 880	125 567	128 654
Registration fees	9 022	9 045	8 500	6 500	7 000	7 000
Subscription	91 206	90 617	101 559	90 110	90 110	92 385
Reinstatement fees	5 481	3 635	15 016	3 500	4 000	4 000
Reprints of certificates	2 010	1 807	1 500	1 500	1 500	1 500
Interest receivable	4 091	7 583	8 000	4 500	4 500	4 500
CPTD Subsidy	15 528	15 599	16 434	17 170	17 957	18 769
Sundry income	1 070	1 043	800	600	500	500
Expenditure	125 309	121 309	160 109	132 680	125 567	128 654
Administration	76 796	74 909	87 811	76 066	74 323	75 396
Research	4 600	4 159	6 317	4 556	5 259	5 776
Professional Development	21 915	19 385	29 928	25 272	25 390	25 778
Registration	7 393	8 325	11 617	7 662	8 014	8 498
Code of Ethics	11 725	10 625	20 952	16 498	9 314	9 796

Teacher Professionalisation	2 880	2 669	3 484	3 126	3 267	3 410
Surplus	2 450	3 099	-8 300	-8 800	0	0

3.1.3.2 Detailed Budget 2025/26

INCOME	123 880 196
Registration fees	6 500 000
Subscription	90 110 196
Reinstatement fees	3 500 000
Reprints of certificates	1 500 000
Interest receivable	4 500 000
CPTD Subsidy	17 170 000
Sundry income	600 000
Operational Expenditure	132 680 196
Advertising	400 000
Audit Fees	700 000
Bank Charges	1 000 000
Compensation Commissioner	200 000
Cleaning of Buildings	600 000
Consultation Fees	300 000
Depreciation	4 000 000
Insurance	720 000
Legal costs	1 500 000
Postage	50 000
Printing and Stationery	400 000
Repairs and Maintenance	500 000
Motor Vehicle running costs	100 000
Salaries	78 504 563
Security Services	2 200 000
Staff Development	1 200 000
Sundry Expenses	60 000
Telephone	200 000
Travel and Accommodation	1 075 633
Rates, Water and Electricity	4 000 000
Database Dev/Maintenance	6 000 000
Code of Conduct	8 800 000
Registration of EDUC	500 000
Professional Development CPTD	17 170 000
Teacher Professionalisation	500 000
Research	500 000
Publicity and Communication	500 000
Planning, Monitoring and Evaluation	500 000
International Relations	500 000
Capital Expenditure	0
Budget Surplus/Deficit	-8 800 000

- **SACE Revenue Details**

- The council is funded mainly on self-generated revenue with additional transfer funds from the fiscus intended for the management of CPTD.
 - The council projects its revenue over the MTEF period to be at an average of R126 million.
 - During the 2024/25 financial year, the council implemented revenue recovery methods which saw the council recovering about 22 million outstanding debts from its members.
 - The budget was therefore adjusted to improve service delivery.
 - Further efforts are being made to ensure the membership continuous compliance.
 - The reduction of budget in the following financial periods is based on guaranteed revenue
 - The revenue base for the council has remained constant since the 2023 financial year, when the Council reviewed educator membership fees as the main source of funding from R180 pa to R198 pa.
 - The council has taken note that the current resources are not sufficient to satisfactorily take the operations through the MTEF period.
 - Council could not finalize the review of funding in the 2025 financial year and committed to concluding the matter in this financial year.
 - The 2025/6 budget will be adjusted on the conclusion of the funding review. The MTEF projections are expected to improve accordingly.
- **SACE Expenditure Details**
 - There is material reduction of Mandatory functions budget line items in favour of contractual obligations.
 - The Council intends to conclude the review of funding within the current MTEF period.
 - The council obtained approval to utilize R17.1million of its accumulated surplus over two years (24/25 and 25/26) towards the increasing Educator case workload.
 - The funds allocated to clear the case workload on hand is R8.3million for 2024/5 and R8.8million for 2025/6.

- The council is in the process of filling the 22 vacant positions to improve service delivery.
- As outlined in the detailed Budget, the Council's Mandatory Functions will deliver at their lowest levels informed by the Budgetary constraints.
- With the implementation of membership compliance measures, it is anticipated that additional revenue will be generated during the year and will be utilised to improve delivery levels.
- Council will continue to implement effective cost containment measures to ensure acceptable delivery levels with the available resources.

3.1 The Council for Quality Assurance in General and Further Education and Training (Umalusi)

3.2.1 Mandate - The mandate of Umalusi was determined by the following:

- Chapter 2 of the Constitution: Everyone has a right to education.
- National Qualifications Framework: The establishment of Umalusi as a Quality Council; and
- GENFETQA Act: Assigns Umalusi the responsibility for quality assurance of general and further education and training.

3.2.2 Strategic Plan 2025 – 30 – The Council gave a detailed breakdown and overview of its combined PESTEL and SWOT analysis which covered strengths, weaknesses, opportunities, and threats in the following areas:

- Political
- Economical
- Social
- Technological
- Environmental
- Legal

3.2.3 Strategic Priorities 2025 – 30 – The Umalusi strategic priorities were:

- Reviewing quality assurance approaches
- Evaluating and appraising qualifications
- Providing input to the legislative framework
- Intensifying research on aspects of the sub-framework
- Sharpening advocacy work in respect of the mandate of Umalusi

The Council further touched on the 2025-30 key focus areas as well as the contribution to Priority 2 of the National Development Plan (NDP). Additionally, the Committee received a broad overview of the theory of change, outcome targets and key risks.

3.2.4 Annual Performance Plan 2025-26

3.2.4.1 Programme 1: Administration – The purpose of the programme is to provide strategic leadership, management and administrative services to the organisation. Sub-programmes include:

- Strategy and Governance (S&G).
- Public Relations and Communications (PR&COMS).
- Information and Communication Technology (ICT).
- Human Capital Management (HCM); and
- Finance and Supply Chain Management (F&SCM).

Programme 1 Indicators and Targets:

- **Number of advocacy initiatives conducted** – The annual target is set at 10 initiatives.
- **ICT Network health score maintained at ≥ 97 percent** - The annual target is at ≥ 97 percent.
- **Average vacancy rate maintained at ≤ 10 percent** - The annual target is set at ≤ 10 percent.
- **Percentage of valid invoices paid within 30 days of receipt** – The target is set at 100 percent.

3.2.4.1 Programme 2: Qualifications and Research – The purpose of the programme is to develop and manage an efficient and effective GFETQSF within the NQF and to undertake strategic research in support of that goal. Sub-Programmes included the following:

- Qualifications, Curriculum and Certification (QCC); and
- Statistical Information and Research (SIR).

Programme 2 Indicators and Targets:

- **Number of audits conducted on qualifications on the GFETQSF** - The target is set at one audit conducted.
- **Percentage of certificates printed within 30 working days of receiving the request from the Assessment body** - The target is set at 95 percent of certificates.
- **Percentage of verification requests completed within two working days** - The target is set at 95 percent completed.
- **Number of research projects completed in various formats** – The target is set at six (6) research reports.

3.2.4.3 Programme 3: Quality Assurance and Monitoring – The purpose of the programme is to ensure that the providers of education and training have the capacity to deliver and assess qualifications registered on the GFETQSF and are doing so to the expected standards and quality. Sub-Programmes include the following:

- Quality Assurance of Assessment: School Qualifications.
- Quality Assurance of Assessment: Post-School Qualifications; and
- Evaluation and Accreditation.

Programme 3 Indicators and Targets:

- **Number of quality assurance of assessment reports published for qualifications registered on the GFETQSF** – The annual target is set at 9 assessment reports.
- **Percentage of received question papers approved per qualification** – The target is set at 100 percent of received question papers approved.
- **Number of assessment bodies audited for their state of readiness to conduct examinations** – The annual target is set at four assessment bodies audited.
- **Number of subjects for which verification of marking is conducted**- The target is set at 95 subjects.
- **Number of subjects for which moderation of internal assessment is conducted** – The annual target is set at 200 subjects.
- **Percentage of accreditation outcomes for private education institutions finalised within 12 months of the site visit** – The target is set at 93 percent of accreditation outcomes.
- **Percentage of identified private education institutions monitored after being granted accreditation** – The target is set at 92 percent institutions monitored.

3.2.5 Budget – 2025/26

3.2.5.1 Revenue

FINANCIAL YEAR	Actual		Current Year	Projections					
	2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26		2026/27		2027/28	
				R'000	%	R'000	%	R'000	%
Own Revenue	37,084	42,697	41,310	43,761		48,067		55,101	
Certification	4,417	7,828	7,700	8,099	19%	8,700	18%	9,600	17%

Verification	15,488	18,449	18,200	18,508	42%	20,600	43%	22,700	41%
Accreditation	7,321	7,264	7,100	7,400	17%	8,588	18%	11,601	21%
Quality Assurance of Assessment	3,360	3,185	2,860	4,281	10%	4,900	10%	5,500	10%
Interest	3,959	4,673	4,100	3,437	8%	3,100	6%	3,500	6%
Rental Income	866	1,299	1,350	2,036	5%	2,179	5%	2,200	4%
Transfer (DBE)	162,031	162,945	166,918	174,384		182,350		190,596	
Total Revenue	199,115	205,642	208,228	218,145		230,417		245,697	

3.2.5.2 Expenditure

ECONOMIC CLASSIFICATION	ACTUAL AUDITED			APPROVED BUDGET	BUDGET ESTIMATES			
	2021/22 R' 000	2022/23 R' 000	2023/24 R' 000	2024/25 R' 000	2025/26 R' 000	2026/27 R' 000	2027/28 R' 000	
Compensation	85,506	87,058	92,075	105,675	104,348	103,075	107,742	
Goods and Services	87,687	89,818	102,708	97,553	95,797	113,342	120,625	
Depreciation/ Capex	4,431	5,700	10,048	5,000	18,000	14,000	17,330	
Total expenditure	177 624	182 576	204 831	208 228	218 145	230 417	245 7	

3.2.5.3 Cost Drivers that Increase Exponentially Over 5-year Period

Expenses	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000	% Increase over 5-year period
IT expenses	12,951	12,885	14,061	20,256	23,261	80%
Travel – Local	6,230	6,377	8,541	11,243	16,500	165%
Depreciation	6,052	6,109	5,699	10,048	16,000	164%
Security services	1,097	1,245	1,986	1,971	2,261	106%

Repairs & Maintenance	662	1,431	1,443	2,829	2,544	284%
Total	26,992	28,047	31,730	46,347	60,566	124%

3.2.5.4 Explanation of Resources' Contribution to Achieving the

Outputs - The budget for the 2025/26 financial year (FY) is R218 million, an increase of 5% from the previous FY (R208 million: 2024/25). The government grant (R174 million) accounts for 80% of the budget. Internal revenue is expected to amount to R44 million in the 2025/26 FY. The verification fees are expected to contribute a significant portion of this own revenue to the value of R18.5 million (i.e., 42% of internal revenue). The second major contributor to internal revenue is accreditation fees, which are expected to generate R8 million for the 2025/26 FY. It is anticipated that interest income will remain fairly constant compared to the previous FY, due to the expected peaking of interest rates, which have been on the rise in the recent past and are now stabilising. A significant portion of the 2025/26 FY budget has been allocated to Programme 1 (Administration). The allocation to Programme 1 amounts to R101 million, which is 46% of the total budget. Programme 1 assists and supports the organisation in discharging its core functions to achieve its mandate. The allocation covers administrative activities, which includes, among others, advocacy campaigns; maintenance of Umalusi properties; governance functions; ICT infrastructure and network solutions; training and development; including health and wellness of staff. Compensation for Programme 1 is expected to amount to R45 million. Programme 2 (Qualifications and Research) has been allocated R31 million, which is 14% of the 2025/26 FY budget. This Programme is responsible for conducting research, verifying qualifications, and issuing certificates to qualifying learners. The budget for employee compensation for Programme

2 is R21 million. Programme 3 (Quality Assurance and Monitoring) has been allocated R86 million for the 2025/26 FY. This allocation is earmarked for the moderation of question papers, verification of marking, training of moderators, discussion of marking guidelines, and monitoring of examinations. The allocation balance will be used for staff salaries amounting to R33 million.

3.2.5.5 Budget constraints that impact the work of Umalusi -

Financial limitations impact the ability to conduct quality assurance at the desired scale. This results in a limited sampling scope:

- Only 317 out of 6933 examination centres were monitored (4.6%).
- Only 30 out of 183 marking centres were sampled for verification (16.4%).

Adequate funding is essential to expand quality assurance to strengthen the credibility of the qualifications. Inadequate budget allocation makes it difficult for Umalusi to attract and retain competent and qualified employees. Umalusi is inundated with a lot of applications from private schools and colleges, which require more personnel.

4. Portfolio Committee Recommendations

The Portfolio Committee on Basic Education, having engaged the Department of Basic Education (DBE) and Statutory Bodies i.e. the South African Council for Educators (SACE) as well as the Council for General and Further Education and Training (Umalusi) on their 2025/26 Annual Performance Plans and 2025-2030 Strategic Plan and the Budget, the Portfolio Committee on Basic Education recommends the following:

4.1 Department of Basic Education (DBE)

- The Department submit written responses to the following, within 90 days after adoption of this report :

- The costing and extent of the utilisation of consultants by the Department
- A detailed plan for the complete eradicate all pit toilets in schools in the country.
- A clarification on the terms of reference for the establishment of the Ministerial Advisory Council – their roles and responsibilities and the provisions allowing for this.
- A clarification on mother-tongue tuition, especially for the Foundation Phase – and how implementation was being monitored.
- Information on the STEM subjects and the grant with statistics of the performance of learners and the learner participation figures for the STEM subjects. A detailed overview of what the Grant was meant to achieve.
- A detailed report on the monitoring of the functionality of SGBs, especially on policies on mother-tongue tuition in the foundation phase and admission policies.
- The Department ensure adequate systems are in place monitor the ECD sector performance and the utilisation of the increased funding.
- The Department ensure recovery plans are in place to fast-track stalled projects.
- The Department ensure the DBE/SAPS Intervention Programme be implemented without delay – and ensure impact evaluation mechanisms for ensuring adequate measurements towards reduction of violence in schools was in place.
- The Department to ensure an increase in the monitoring of the NSSF due to the rise in school violence.
- The Department ensure the placement of Funza Lushaka graduates was speeded up and improved by way of prioritising these graduates for placement. The Department to ensure the Funza Lushaka Programme also benefitted and accommodated ECD practitioners.
- The Department ensure concrete steps to address infrastructure backlogs in schools and ensure timely and quality infrastructure projects, especially in underserved provinces.

- The Department expedite the delivery of the seven ASIDI schools being constructed.
- The Department ensure challenges with scholar transport in KwaZulu-Natal was urgently addressed.
- The Department ensure the Annual Performance Plan include plans and commitments on the implementation of the BELA Act. The Department to submit specific timelines for the completion of the regulations.
- The Department ensure the challenges with electricity billing bail-outs by PEDs was addressed – and PEDs assisted.
- The Department ensure enhancement of the NSNP grant to address discrepancies in the grant.
- The Department ensure documented challenges with hostel/boarding facilities infrastructure in schools was addressed through monetary applications for upgrades to facilities and/or building of new facilities/infrastructure.
- The Department ensure adequate monitoring of access to Grade R and submit a complete and comprehensive audit of all education districts.
- The Department provide a breakdown of the changed budget allocation and how this led to reduction in certain targets – was there a contradiction in prioritising education.
- The Department ensure school infrastructure projects were prioritised.
- The Department ensure the implementation of performance mechanisms for adequate monitoring and accountability of PEDs in meeting APP aligned targets.
- The Department ensure effective monitoring of the implementation of mother-tongue based bilingual education by PEDs. The Department consider creating a dedicated performance indicator or funding stream for this item.
- The Department ensure negative effect of budget cuts on infrastructure and infrastructure backlogs was adequately mitigated.
- The Department report on persistent logistical and safety concerns relating to scholar transports in provinces.

- The Department ensures that provincial financial non-performance be reported on in terms of spending on core educational funding
- The Department submit a detailed report on the impact and effect of weather disasters and flooding on schooling in the Eastern Cape and the interventions in place to assist schools and learners affected. The Department submit a report on the disaster funding, protocols, and standard operating procedures in place to assist schools affected by disasters.

4.2 South African Council for Educators (SACE)

- The SACE Council ensure infrastructure gaps and connectivity challenges in rural areas was addressed.
- The SACE Council ensure all current vacancies were filled within 90 days of adoption of this report
- The SACE Council consider an alternative funding model to mitigate financial challenges.
- The SACE Council ensure improved capacity, additional resources and strategies to finalise cases before the Council, including any backlogs.
- The SACE Council, in collaboration with DBE ensure registered qualified teachers were placed effectively in schools, especially in underserviced areas before the end of the 2025/26 financial year.
- The SACE Council submit, in writing the database on those educators struck from the roll – and measures in place to ensure such educators were not able to teach in other province. The database to be submitted within 30 days after adoption of this report
- The SACE Council, in collaboration with relevant stakeholders, assisted in ensuring measures were in place to address and strengthen safety and security of learners and educators.
- The SACE Council review its registration and vetting processes for teachers, especially in independent schools.
- The SACE Council share with the Committee its reviewed sanctions policy

- The SACE Council ensure effective alignment of its APP and Strat Plan with the DBE goals and priorities

4.3 Council for Quality Assurance in General and Further Education and Training (Umalusi)

- The Umalusi Council ensure steps are in place to address delays in certification/accreditation.
- The Umalusi Council ensure all vacant posts are filled without delay and ensure persons with disabilities were accommodated. The report on filling of the vacant posts to submitted before the end of 2025.
- The Umalusi Council ensure improvement and an increase in the monitoring of exam/marking centres.
- The Umalusi Council ensure institutions granted accreditation-maintained compliance with quality standards.
- The Umalusi Council ensure steps are in place to address and eliminate errors in question papers and improve the quality of marking. The report to eliminate errors and improving the quality of marking to be submitted before end of 3rd Term 2025.
- The Umalusi Council ensure adequate and strengthened advocacy and communication on the phasing out of the Nated qualification with a review of its current strategies.
- The Umalusi Council ensure effective alignment of its APP and Strat Plan with the DBE goals and priorities.

Report to be considered.

National Council of Provinces

1. Policy Assessment and Recommendations Report of the Select Committee on Security and Justice on the 2025/26 Budget Vote 21, Annual Performance Plan (App) of the Civilian Secretariat for Police Service (CSPS), dated 9 July 2025.

1. INTRODUCTION

The National Council of Provinces represents the provinces to ensure that the provincial interests are considered in the national sphere of government as stated in section 42(4) of the Constitution. This report serves, in terms of Rule 119 of the NCOP rules to assess the strategic plans, annual performance plans and budget of the Civilian Secretariat for Police Service for 2025/26 against the backdrop of service delivery. On the 1st of July 2025, the Select Committee on Security and Justice, held a briefing with the CSPS.

2. STRATEGIC PLANS

- During the 2025/26 Medium-Term Expenditure Framework (MTEF) period, the CSPS will focus on several high-impact policy, legislative, and oversight initiatives aimed at strengthening policing, community safety, and accountability within the South African Police Service (SAPS).
- A key priority is the finalisation and implementation of the Integrated Crime and Violence Prevention Strategy (ICVPS). This strategy reflects a whole-of-society approach to safety and aims to harmonise crime prevention efforts across the national, provincial, and local spheres. Through this, the CSPS intends to foster consistency, improve service delivery within the criminal justice system, and support evidence-based planning and monitoring across the policing value chain.
- Closely linked to this is the implementation of the National Policing Policy, which will establish a rights-based, community-oriented framework for policing. This policy seeks to promote professionalism, improve oversight mechanisms, and support local safety planning through clearly defined institutional responsibilities.
- On the legislative front, the CSPS aims to finalise five critical Bills during the MTEF period. These include amendments to the SAPS Act, Stock Theft Act, Firearms Control Act, Second-

hand Goods Act, and the CSPA Act itself. These legislative amendments are designed to modernise and align policing legislation with constitutional and policy developments, while also closing enforcement gaps. The development and finalisation of these policies and Bills will be funded through the Legislation and Policy Development programme, which is allocated R85.9 million over the medium term.

- The Secretariat also places strong emphasis on community participation in safety initiatives. To this end, it will conduct targeted anti-crime campaigns and implement a public awareness programme to improve the visibility and engagement of the police. Over the next three years, the Secretariat plans to facilitate 24 izimbizo (public participation engagements) to raise awareness of crime prevention strategies and strengthen community partnerships. In support of these goals, 12 capacity-building workshops will be held with local safety stakeholders to foster collaboration and improve the effectiveness of crime prevention efforts. These initiatives fall under the Intersectoral Coordination and Strategic Partnerships programme, with an allocated R95.6 million over the MTEF.
- Lastly, CSPA will intensify its oversight and performance monitoring of SAPS through the Civilian Oversight, Monitoring and Evaluation programme, which is allocated R119.4 million over the MTEF. The Secretariat will publish two annual reports assessing SAPS compliance with the Domestic Violence Act (1998), with a focus on the handling of gender-based violence cases. Additionally, it will produce three oversight reports annually, covering SAPS's management of complaints, implementation of IPID recommendations, and integrity-related conduct. These reports aim to promote accountability, drive institutional reform, and improve trust between communities and law enforcement.

3. MEDIUM-TERM DEVELOPMENT PLAN (2024 – 2029)

The MTDP is the strategic blueprint of the 7th Administration, aligned to the National Development Plan (NDP) 2030. It aims to drive transformation and inclusive growth through three Strategic Priorities:

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

The CSPA is implicated in the MTDP's broader vision of reforming and professionalising the security and justice sectors, with specific alignment to the following themes:

- **Strengthening Police Accountability and Oversight:** While not mentioned by name, the Secretariat's mandate clearly aligns with the MTDP emphasis on *civilian oversight of law*

enforcement, the implementation of the Integrated Crime and Violence Prevention Strategy (ICVPS) and ensuring police alignment with constitutional values.

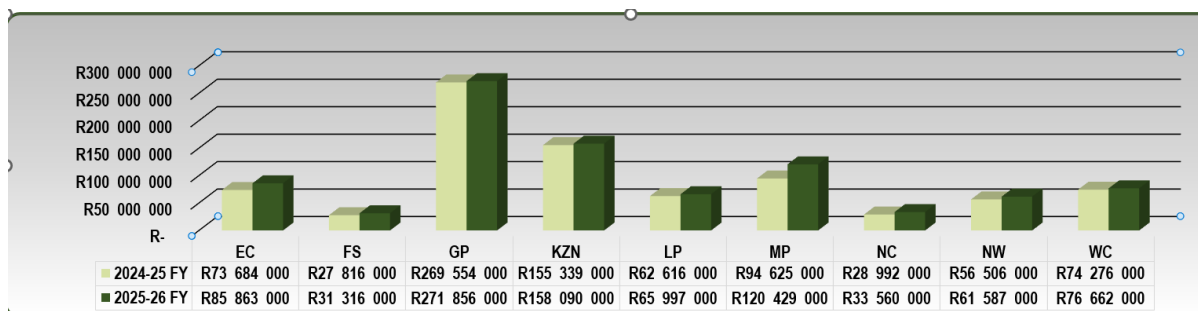
- **Professionalisation and Ethics in Policing:** The CSPS is expected to support policy reforms and strategy reviews that aim to *build a capable, ethical, and developmental police service*. This includes policy initiatives that support *community trust, GBVF reduction, and improved service delivery by SAPS*.
- **Enhancing Citizen Participation and Community Policing:** The MTDP supports participatory policing approaches—an area where CSPS plays a direct role through CPF policy support, public engagement, and legislative oversight.

4. BUDGET ALLOCATION

4.1 National Budget Allocation

- The CSPS received a Main Appropriation of R172.2 million in 2025/26, which is a nominal increase of R16.3 million or 10.4 per cent compared to the previous financial year. In real terms (inflation considered), the Department's allocation increased with R8.5 million, or 5.48 per cent. This is the largest increase in several years.
- The Administration Programme received a Main Appropriation of R76.9 million in 2025/26, which is a nominal increase of 9.26 per cent or R6.5 million (considering inflation, it is a real increase of 4.35 per cent) compared to the previous financial year.
- The Intersectoral Coordination and Strategic Partnerships Programme received a Main Appropriation of R30.3 million in 2025/26, which is a nominal increase of 7.8 per cent or R2.2 million compared to the previous financial year. Considering inflation, the Programme received a real increase of 2.96 per cent or R800 000.
- The Legislation and Policy Development Programme received a Main Appropriation of R27.2 million which is a nominal increase of R3.7 million or 15.75 per cent. In real terms, the Programme's allocation increased by 10.55 per cent.
- The Civilian Oversight, Monitoring and Evaluation Programme received a Main Appropriation of R37.8 million, which is a nominal increase of 11.4 per cent or R3.9 million. In real terms, the allocation increased by 6.4 per cent.

4.2 Provincial Budget



- Almost all provinces have spent over 90% of their 2024/25 budget allocation under the Provincial Secretariat programme. Despite this high expenditure rate, inadequate funding remains a key constraint, significantly affecting the Provincial Secretariats' capacity to deliver effectively services.
- Notably, most provinces received an increased budget allocation for the current financial year, with Mpumalanga recording a slightly higher increase compared to others. Gauteng Province continues to receive the largest budget allocation, followed by KwaZulu-Natal and Mpumalanga. In contrast, the Free State Province was allocated the smallest budget for the Provincial Secretariat programme.

5. ANNUAL PERFORMANCE PLANS

In 2025/26, the Department identified 30 performance indicators, of which most targets remained unchanged from the previous financial year. The Department introduced two new targets in 2023/24. According to the Department, the effectiveness of their civilian oversight mandate, including the provision of strategic and policy advice to the Minister of Police, rests on adequate and reasonable access to SAPS systems and information by the CSPS and ultimately on the willingness to implement CSPS policy proposals and recommendations. As such, the working relationship and effective functioning of cooperative governance structures between the SAPS and CSPS must be continuously strengthened.

5.1 Programme 1: Administration

Programme purpose: The purpose of the Administration Programme is to provide strategic leadership, management and support services to the Department. For the 2025/26 financial year, the Administration programme has 6 performance indicators, of which no targets are new compared to the previous financial year.

5.1.1 Subprogramme: Department Management

- Four assessments conducted on the functioning of the National Forensic DNA Database.

- Four quarterly reports on human rights violations committed by DPCI officials during investigations and interference or undue influence in DPCI investigations.

5.1.2 Subprogramme: Corporate Services

- 100% implementation of planned activities in the revised HCS implementation plan.
- 100% implementation of planned activities in the ICT Strategy implementation plan.

5.1.3 Subprogramme: Finance Administration

- 100% of payments made to creditors within 30 days.
- 99% of expenditure disbursed in relation to budget allocated

5.2 Programme 2: Inter-sectoral Coordination and Strategic Partnerships

Programme purpose: The purpose of the *Inter-sectoral Coordination and Strategic Partnerships* Programme is to manage and encourage national dialogue on community safety and crime prevention.

For the 2025/26 financial year, the Department has set the following 12 targets under Programme 2:

5.2.1 Sub-Programme 2.1: Intergovernmental, Civil Society and Public-Private Partnerships

- Two Memoranda of Understanding (MoUs) are targeted to be signed with stakeholders to build safer communities (Indicator 2.1.1).
- Two MoUs are expected to be implemented for the same purpose (Indicator 2.1.2).
- Two Cooperation Agreements are to be facilitated to support safer communities through the Intergovernmental, Civil Society and Public-Private Partnerships (IPEPU) initiative (Indicator 2.1.3).
- The Department plans to implement one victim support programme in collaboration with stakeholders (Indicator 2.1.4).
- Four capacity-building workshops are scheduled to be conducted with District Municipalities, Community Safety Forums (CSFs), JCPS cluster departments and other relevant actors (Indicator 2.1.5).
- Four anti-crime campaigns will be carried out with communities to promote public safety (Indicator 2.1.6).
- Two assessments will be conducted to evaluate the functionality of CSFs in municipalities (Indicator 2.1.7).
- Two analyses will be undertaken to assess the implementation of the School Safety Protocol by SAPS (Indicator 2.1.8).

- Two assessments are planned to evaluate the functionality of Community Police Forums (CPFes) (Indicator 2.1.9).
- Nine CPF training workshops will be conducted to support civilian oversight structures and enhance CPF capabilities, especially in high-crime and under-resourced areas (Indicator 2.1.10).

5.2.2 Sub-Programme 2.2: Community Outreach

- Ten izimbizo or public participation programmes with communities to promote awareness and involvement in community safety initiatives (Indicator 2.2.1). This is an increase from previous years' consistent target of 8 such engagements.
- Two response plans as follow-up feedback to communities on the issues raised during these izimbizo or public engagements

5.3 Programme 3: Legislation and Policy Development

Programme purpose: The purpose of the *Legislation and Policy Development* Programme is to develop policy and legislation for the police sector and to conduct research on policing and crime. For the 2023/24 financial year, the Programme identified nine performance indicators
For the 2025/26 financial year, the Programme identified six performance indicators.

5.3.1 Sub-Programme 3.1: Policy Development and Research

- Two progress reports will be submitted to the Secretary for approval on the implementation of the Integrated Crime and Violence Prevention Strategy (ICVPS) (Indicator 3.1.1).
- Two reports will be submitted on the implementation of the Knowledge and Information Management Strategy to the Secretary for approval (Indicator 3.1.2).
- One policy will be developed and submitted to the Secretary for approval to contribute toward the professionalisation and transformation of the SAPS (Indicator 3.1.3).
- One evidence-based research report on policing and safety will be submitted to the Secretary for approval (Indicator 3.1.4).

5.3.2 Sub-Programme 3.2: Constitutionally Compliant Legislation Development

- Two Bills will be submitted to the Minister for Cabinet approval for publication for public comments (Indicator 3.2.1).

- Two Bills will be submitted to the Minister for Cabinet approval for introduction into Parliament (Indicator 3.2.2).

5.4 Programme 4: Civilian Oversight, Monitoring and Evaluation

Programme purpose: The purpose of the *Civilian Oversight, Monitoring and Evaluation* Programme is to oversee, monitor and report on the performance of the SAPS.

For the 2025/26 financial year, the Programme identified nine performance indicators, of which most targets remain unchanged compared to the previous financial year.

5.4.1 Sub-Programme 4.1: Police Performance, Conduct and Compliance Monitoring, with the target incorporated into each description:

- Two police oversight initiatives will be undertaken to assess the performance of the South African Police Service (Indicator 4.1.1).
- One assessment will be conducted on the SAPS Budget and Programme Performance (Indicator 4.1.2).
- Two assessments will be conducted on the SAPS Complaints Management System to monitor responsiveness and accountability (Indicator 4.1.3).
- Two assessments will be undertaken on the implementation of Independent Police Investigative Directorate (IPID) recommendations by SAPS to ensure accountability and reform (Indicator 4.1.4).
- One assessment will be conducted on police conduct and integrity to evaluate professionalism and adherence to ethical standards (Indicator 4.1.5).
- Two assessments will be undertaken on SAPS compliance with the Domestic Violence Act (1998) to monitor protection of vulnerable groups and enforcement of legislation (Indicator 4.1.6).
- Two assessments conducted on the implementation of legislation and policies by SAPS (Indicator 4.1.7).

5.4.2 Sub-Programme 4.2: Policy and Programme Evaluations

- One assessment will be conducted on a SAPS programme to evaluate its effectiveness, relevance, and alignment with strategic objectives (Indicator 4.2.1).

- One evaluation will be conducted on legislation and policies to assess their implementation, impact, and compliance within the SAPS (Indicator 4.2.2).

6. DISCUSSIONS / RESPONSES BY THE DEPUTY MINISTERS AND THE DEPARTMENT

6.1 Criminality of Police Officers and Implementation of Recommendations: Members wanted to know what is being done about the criminality of police officers and how provincial commissioner's handle police misconduct. Members were also concerned about the failure of SAPS to implement recommendations. SAPS has mechanisms in place to monitor the implementation of IPID and CSPA recommendations. A forum has been established which sits monthly and CSPA committed to forwarding the list of recommendations and the status of implementation to the committee. The Deputy Minister also clarified that salary deductions or suspensions are still forms of discipline. However, silence or failure to respond to questions by senior officials was not in order and that accountability is always necessary. There is a need to strengthen the work of CSPA and that is why there is a need for legislation in respect of the CSPA Act.

6.2 Funding and Standardization of CPFs: Members raised several questions related to the functioning, funding and resourcing of CPFs in provinces. Members also wanted to know whether there was any targeted support for underperforming forums in high crime areas such as KwaMashu in KZN and if CSPA has been able to assess these forums in KZN. CSPA responded that funding and standardisation of CPFs was previously supported on an ad hoc basis. A R72 million allocation helped but was later cut to R25 million, and this was deemed inadequate. Provinces assist, but they have resolved that they should standardize the assistance that Gauteng and Limpopo is using across other provinces, and that discussion is ongoing. There are ongoing discussions to standardize the CPF support model across all provinces. CSPA recognises that while CPFs are voluntary, they deserve reciprocation and support. The SAPS Amendment Bill will cover some of the concerns related to CPFs and the bill has been approved by the cabinet. In the KZN province, CSPA is in a process of review, and they are trying to implement more training of trainer programmes to assist CPFS. In quarter 3, 48 were assessed and found to be functional and in quarter 4, 37 were assessed in KZN. There are 184 police stations, which means that less than half has been assessed in the two quarters.

6.3 Cost of Employees vs Goods and Services: Members were concerned about the small amount allocated for goods and services compared to the high allocation for compensation of employees. Members were of the view that the funding should be allocated to the rollout of programmes aimed at crime reduction. CSPA responded that at some point parliament suggested that CSPA

should beef up the organization and in 2022/23, 70% of the budget was allocated towards COE and the department expected the situation to improve. As parliament suggested that CSPPS needed further capacity, more money was allocated to COE.

6.4 Shortage of Funding for the Appointment of New Officers: Members were concerned about the high levels of crime, the budget and the number of police officers. CSPPS responded that there were 10 000 recruits per annum, but crime is escalating. CSPPS indicated that a good model was to find alternative ways of policing through CPFs and Neighbourhood Watch Structures which play a pivotal role in fighting crime, and they must find ways of allocating more funding for the training, recruitment and stipends of CPFs.

6.5 Rural Areas with High Levels of Crime: One member relayed that in the Eastern Cape there are rural areas that are neglected, and a supermarket is closed due to extortion, with increased shootings which impact other services in the community. CSPPS acknowledged that certain rural areas have criminal strongholds, which is a serious concern. The CSPPS is implementing collaborative action plans which are being developed with provincial authorities to address these incidents in rural communities. SAPS is currently engaged in zooming in on crime statistics in Limpopo and KZN and after these interventions, they will move to Lusikisiki in the Eastern Cape province.

6.6 Community Engagement and Imbizos: Members wanted to understand the impact of the community engagements and whether there has been effective follow-through on recommendations and reporting back to communities. Civic education needs to address misunderstandings and mistrust. CSPPS informed the committee that Imbizos now include registration desks to formally track complaints. Police stations are required to follow up on the complainants. Return visits for feedback and progress updates are part of the process and follow-ups and satisfaction tracking are mandated

6.7 Liquor Boards: Members were concerned about the level of liquor consumption in communities which impedes policing strategies to reduce crime and felt that more attention should be given to this matter. Members were of the view that CSPPS should have an integrated approach to engage liquor boards. The CSPPS established a National Working committee comprised of all departments both economic and social and developed a plan. The Department of Trade and Industry is part of this committee. The issuing of liquor licensing forms part of this forum. COGTA also sits on this forum to co-ordinate the District Development Model (DDM) and to monitor safety initiatives of municipalities. The MOU has been finalized, and the team looks at implementation protocols.

- 6.8 Water Mafias:** Members raised concerns in relation to water mafias which is a big problem as there is sabotage of state infrastructure, including those stealing electricity cables. The Minister of Police is meeting with the Minister of Water and Sanitation which is like their engagement with the Minister of Public Works and Infrastructure to address the criminality in the construction space. These crimes stem from the triple threat of poverty, inequality and unemployment and are receiving attention.
- 6.9 Findings of the Auditor General (AG):** Members wanted to know how the CSPA is addressing the issues raised by the AG. CSPA assesses the budget and report findings to understand the challenges and makes the necessary adjustments and recommendations. CSPA has received clean audits for 6 of the 10 years.
- 6.10 Integrated Crime and Violence Prevention Strategy (ICVPS) Implementation:** Members were concerned that there are rural areas where this policy has not been felt or implemented and wanted to know how the CSPA is co ordinating with provinces and municipalities to address localized crime patterns. The ICVPS strategy will succeed when every South African can understand it and will require participation of members and provinces and for constituencies to understand the policy. Imbizos are hosted to educate people about the strategy and there is a desk where everyone's concerns are recorded for follow up. After the Imbizo, there is continued engagement with those who raised their issues to ensure resolution of the matters. ICVPS training is not yet tailored to local contexts.
- 6.11 Police Body Worn Cameras:** Members wanted more information on the policy in respect of the use of body worn cameras, as well as the criteria and guidelines. The Deputy Minister confirmed that the Department has embarked on a procurement process and that there was an SOP in place and therefore the implementation process has begun.
- 6.12 Community/Local Crime Fighting Groups:** Members wanted to know what is being done in respect of local community groups who are effective in fighting crime but who are not part of the CPF structures and who are encountering resistance from SAPS despite their effective strategies and trust within communities in Kimberley. CSPA responded that sometimes NGOs oppose law enforcement operations but that there is a need to rebuild community trust and they are working to address these challenges within communities to fight crime. MPs and community leaders are encouraged to engage actively and constructively with both the community and the CSPA.

- 6.13 Firearms Control Amendment Act:** Members were concerned that there has been a lot of rejection from the firearms industry to this Act and wanted to know the status of the Act, with timeframes. CSPA agreed that the Act is contentious but that they have worked on the legislation to sift through all the issues, and the Minister has approved the bill which will now be sent to NEDLAC for further consultation.
- 6.14 Customer Satisfaction Surveys:** Members wanted to know how often these surveys are conducted and how impact is assessed. CSPA informed the committee that provinces conduct annual surveys, on an individual basis. A national survey is planned for year 3 of the ICVPS implementation to evaluate societal impact. Final assessments will be done at the end of the 5-year period.
- 6.15 Crime Intelligence and Internal Challenges:** Members wanted to know what the status of crime intelligence and internal integrity are. The Deputy Minister informed the committee that efforts to strengthen crime intelligence have progressed. The Deputy Minister acknowledged the committee's concern expressed over the head of crime intelligence being under investigation.

7. RECOMMENDATIONS

- 7.1** CSPA should ensure annual provincial customer satisfaction surveys are shared and compared to identify trends and use the survey findings to inform crime prevention improvements and strategies.
- 7.2** CSPA must identify and prioritize underperforming CPFs for targeted training and support and increase resource allocation to CPF structures in all provinces.
- 7.3** The Committee encourages the CSPA to speed up the processing of the SAPS Amendment Bill to address the current challenges in relation to CPFs. The Committee reiterates its support for collaborative and functional CPF structures in the fight against crime.
- 7.4** CSPA should expedite the procurement and rollout of body cameras, establish clear protocols for data storage and chain of custody to ensure court admissibility and rollout training to police officers on the use and maintenance of body cameras and related technologies.
- 7.5** CSPA must strengthen its relationship with SAPS and IPID to ensure that recommendations are implemented timeously and effectively. Appropriate disciplinary action must be taken against

police officers found guilty of offences to ensure an ethical and professional police service capable of rebuilding trust with citizens.

7.6 CSPA must work with SAPS to ensure that there are effective crime prevention strategies in place to address water mafias and construction sabotage and extortion.

7.7 CSPA must design and implement clear targets and policies and address all internal administrative issues to ensure that CSPA is able to effectively deliver on its oversight mandate.

7.8 CSPA must champion a multisectoral approach to crime prevention by ensuring that the basics are implemented in all provinces, with all relevant stakeholders.

7.9 CSPA must expand its footprint in rural areas and ensure that it conducts impact assessments in those areas to understand the real challenges facing rural communities.

7.10 CSPA must share the findings of its research, assessments and surveys on a regular basis with all stakeholders and parliament to bolster its civilian oversight function.

7.11 CSPA must host Imbizos on the ICVPS to ensure that all citizens understand the policy. CSPA should also standardize follow-up mechanisms from Imbizos, ensuring documented and trackable resolutions and that all complaints and issues raised are logged, tracked, and fed back to communities.

7.12 CSPA must within 14 days of adoption of the report, forward the following information to the committee:

- Breakdown of CPF training per province.
- Detailed information on the funding and resourcing of CPFs in all Provinces.
- Give detailed details of all backlogs, vacancies and programme of action with timeframes.
- Detailed report on ICT/modernisation interventions.
- Detailed information on the status of vehicles, including the procurement processes for vehicles and the procedures for repair of vehicles per province.
- Full list of all recommendations and the status of implementation, with reasons, timeframes, per province.

8. CONCLUSION

The Committee encouraged the Department to continue its important work in respect of monitoring SAPS and to continue ensuring the effective functionality of CPF structures within communities. The committee emphasised that collaboration between government departments and communities is an important step in fighting crime.

The Select Committee on Security and Justice supports Budget Vote 21.

Report to be considered.

2. Policy Assessment and Recommendations Report of the Select Committee on Security and Justice on the 2025/26 Budget Vote 24, Annual Performance Plan (App) of the Independent Police Investigative Directorate (IPID), Dated 9 July 2025.

1. INTRODUCTION

The National Council of Provinces represents the provinces to ensure that the provincial interests are considered in the national sphere of government as stated in section 42(4) of the Constitution. This report serves, in terms of Rule 119 of the NCOP rules to assess the strategic plans, annual performance plans and budget of the Independent Police Investigative Directorate for 2025/26 against the backdrop of service delivery. On the 2nd of July 2025, the Select Committee on Security and Justice, held a briefing with IPID.

2. STRATEGIC PLAN

Rooting Out Gender-Based Violence and Femicide: The Directorate is intensifying its contribution to the fight against Gender-Based Violence and Femicide (GBVF), in alignment with the objectives of the National Strategic Plan on GBVF. During 2024/25, the Directorate began developing a new integrated case management system designed to streamline operations and enhance data-driven reporting. As part of its GBVF strategy, the Directorate has set a target to increase the number of rape investigations involving police officers that are decision-ready within 210 days from 30 in 2024/25 to 35 in 2025/26.

Fostering Engagement and Accessibility through the Access and Awareness Rural Strategy: To bridge the gap between policing oversight and rural communities, the Directorate is implementing its Access and Awareness Rural Strategy. This approach aims to:

- Strengthen institutional relationships with rural constituencies.
- Promote participation in community safety initiatives.
- Raise awareness about IPID's oversight mandate, especially regarding police misconduct and abuse of power.
- Over the MTEF period, the Department plans to conduct 36 community outreach events to improve public understanding and increase accessibility of services. These engagements are

designed to inform communities about how to lodge complaints, understand their rights, and contribute to oversight processes.

- This initiative is funded through R203.1 million allocated over the medium term to the Corporate Services subprogramme under the Administration programme, reflecting the Department’s commitment to broadening its reach and improving public trust.

3. MEDIUM TERM DEVELOPMENT PLAN (2024 – 2029)

IPID’s oversight mandate is crucial to the MTDP’s justice and anti-corruption focus, particularly in areas dealing with police misconduct, ethics, and public trust.

Key MTDP provisions relevant to IPID include:

- **Building Ethical, Capable, and Professional Public Service:** IPID is a key actor in strengthening *accountability in the police value chain*. Its role in investigating SAPS abuses contributes to enhancing public trust in the state.
- **Combating Corruption and Impunity:** Although more explicit focus is given to the NPA and Hawks, IPID’s function supports the broader JCPS Cluster objective to “*dismantle corruption networks and improve transparency.*”
- **Strengthening the JCPS Cluster:** IPID contributes to reforming the *Criminal Justice System (CJS)* through investigations and recommendations for disciplinary or criminal action against police officials.

4. BUDGET ALLOCATION 2025/ 26

4.1 Changes to the Budget Programme

For the 2025/26 financial year, IPID implemented a restructured programme framework aimed at aligning its organisational structure with its evolving mandate. The most notable changes include the consolidation of investigation functions under a single programme (**Investigations and Provincial Coordination**) and the creation of a new **Forensic Investigation Services** subprogramme. These changes are intended to improve investigative efficiency and capacity, particularly in handling complex cases.

Additionally, functions related to information management and compliance oversight were repositioned under a newly named **Programme 3: Legal Compliance, Information and Stakeholder Management**. This programme now includes subprogrammes dedicated to legal quality assurance and research, reflecting the Directorate’s growing emphasis on evidence-based oversight and improved

implementation of recommendations. The restructuring responds to the requirements of the **IPID Amendment Act (2024)**, which expands the Directorate's investigative mandate and calls for stronger institutional accountability. These changes are also expected to support the more effective allocation of resources, enhance internal coordination, and improve overall performance monitoring.

4.2 National Budget Allocation

- The IPID received a Main Appropriation of R428.6 million in 2025/26, which is a nominal increase of 15.7 per cent (R58 million). Considering inflation, the Directorate's allocation increased by 10.46 per cent (R38.8 million).
- The **Administration Programme** received an allocation of R131.7 million in 2025/26, which is a significant nominal increase of R21.2 million or 19.21 per cent. In real terms, the allocation increased with 13.86 per cent compared to the previous financial year.
- The **Investigation and Provincial Coordination Programme1** received a Main Appropriation of R270.7 million, which is a nominal increase of R29.6 million or 12.26 per cent compared to the previous financial year. Considering inflation, the Programme's allocation increased by 7.22 per cent (R17.4 million).
- The **Legal Compliance, Information and Stakeholder Management Programme2** received a Main Appropriation of R26.1 million in 2025/26, which is a significant nominal increase of 38.17 per cent (or R7.2 million) and real increase of 31.96 per cent compared to the previous financial year. This increase is largely due to the establishment of a new subprogramme called Forensic Investigation Services.

4.3 Provincial Budget Allocation

PROVINCE	2025/26	2026/27	2027/28
EASTERN CAPE PROVINCIAL OFFICE	24 056 000	24 542 000	24 403 000
FREE STATE PROVINCIAL OFFICE	23 456 000	23 833 000	23 862 000
GAUTENG PROVINCIAL OFFICE	29 075 000	30 145 000	30 116 000
KWAZULU NATAL PROVINCIAL OFFICE	24 935 000	26 089 000	26 034 000
LIMPOPO PROVINCIAL OFFICE	18 450 000	19 717 000	19 725 000
MPUMALANGA PROVINCIAL OFFICE	19 453 000	19 952 000	19 863 000
NORTH WEST PROVINCIAL OFFICE	18 933 000	19 674 000	19 668 000
NORTHERN CAPE PROVINCIAL OFFICE	16 574 000	17 290 000	17 354 000
WESTERN CAPE PROVINCIAL OFFICE	26 522 000	28 745 000	29 536 000
TOTAL	201 454 000	209 987 000	210 561 000

- Criteria used for resource allocation to provinces: case intake, size of the province, number of investigators, distance travel within the province, nature of cases under investigation (e.g. complex cases), and number of backlog cases.

5. PROGRAMME PERFORMANCE INDICATORS FOR 2025/26

5.1 Administration Programme: The purpose of the Administration Programme is to provide for the overall management of the Independent Police Investigative Directorate and support services, including strategic support to the Department.

The Administration Programme has 17 performance indicators in 2025/26 as depicted in the list below:

- 1) 80% of the ICT Plan will be implemented during the year.
- 2) 80% of the Internal Audit Plan will be implemented during the year.
- 3) 70% of identified risk mitigation strategies will be implemented.
- 4) The departmental vacancy rate will be maintained at 6%.
- 5) 80% implementation of the Youth Development Strategy.
- 6) 20% of departmental staff will be youth.
- 7) 50% of senior management (SMS) positions will be occupied by women.
- 8) 2% of staff will be persons with disabilities.
- 9) 50% of total goods and services expenditure will be procured from women-owned enterprises.
- 10) 60% reduction in the irregular expenditure balance.
- 11) 60% reduction in fruitless and wasteful expenditure balance.
- 12) 60% of information security audit recommendations will be implemented.
- 13) 100% of lifestyle audits will be completed for identified individuals.
- 14) 100% of legal advice will be provided within 10 working days of receipt.
- 15) 100% of State Attorney appointments will be accompanied by instructions within 10 working days.
- 16) 40 media programmes will be held to raise awareness and improve visibility.
- 17) 40 community outreach events will be conducted during the year.

5.2 Investigations and Provincial Coordination Programme

The Investigations and Provincial Coordination programme is central to the IPID's mandate, as it seeks to coordinate and facilitate all investigative processes through the development of coherent policy and strategic frameworks that guide, standardise, and monitor investigations into police misconduct and criminality. The programme ensures that investigations are conducted with integrity, efficiency, and within the legal framework provided by the IPID Act.

Programme 2 is comprised of **three sub-programmes**, each playing a separate role in strengthening investigative effectiveness and accountability in the policing environment:

5.2.1 Sub-programme: Investigation Management

This sub-programme is the **policy and systems backbone** of IPID's investigative function. It is responsible for:

- Developing and updating investigation systems, norms, procedures, and standards in accordance with the IPID Act and other legislative mandates.
- Managing the case flow system and centralised database that tracks all active and closed investigations, ensuring accurate, real-time oversight of progress and bottlenecks.
- Compiling and analysing statistical data on trends in police misconduct, service delivery failures, and internal discipline breakdowns.

5.2.2 Sub-programme: Investigation Services

This is the operational core of IPID's mandate, responsible for conducting independent and impartial investigations into police criminality and misconduct, in line with the IPID Act. Key functions include:

- Managing and executing investigations across all provinces, including high-profile and systemic cases (e.g., deaths in custody, torture, corruption).
- Running the IPID call centre, which serves as a central public intake mechanism for complaints, ensuring accessibility and timely response to incidents.

5.2.3 Sub-programme: Forensic Investigation Services

This sub-programme provides **specialised forensic support** to IPID's investigative teams, ensuring technical integrity in the collection, analysis, and presentation of evidence.

Responsibilities include:

- Conducting forensic investigations aligned with best practice and judicial standards.
- Supporting complex cases with scientific and technical expertise, including scene reconstruction, document analysis, and forensic audits.

In 2025/26, the Programme has 16 performance indicators, of which some have increased targets. Most core investigation categories reflect modest increases, indicating a gradual scaling up of investigation

capacity. No targets have been reduced, suggesting a steady or expanding workload across all categories.

The introduction of two new forensic indicators in 2025/26 reflects a strategic shift toward enhanced forensic capability and evidence-based case building, likely aimed at improving conviction rates and investigative credibility. Operational support areas such as the CMS, call centre, statistical and analytical reports have maintained stable targets, possibly indicating maturity in those systems.

5.3 Legal Compliance, Information and Stakeholder Management Programme

Purpose: To ensure the quality and integrity of investigations in line with the IPID Act by strengthening stakeholder relations, enhancing legal compliance, and providing timely, informed, and effective guidance on investigative matters and reporting. This programme comprises three sub-programmes, each contributing to improved coordination, accountability, and strategic oversight of the directorate's work:

5.3.1 Legal Investigative Advisory Services

This sub-programme provides legal advisory and support services for investigations. It monitors and evaluates the quality of IPID's recommendations, and the responses received from the South African Police Service (SAPS), Municipal Police Services, and the National Prosecuting Authority (NPA). It ensures that these interactions comply with reporting obligations outlined in the Independent Police Investigative Directorate Act.

5.3.2 Stakeholder Management

This component focuses on managing strategic relationships with the directorate's key stakeholders. These include SAPS, Municipal Police Services, the Civilian Secretariat for Police Service, the NPA, the Special Investigating Unit, the Public Protector of South Africa, the State Security Agency, and civil society organisations. The aim is to facilitate collaboration and information-sharing in accordance with the IPID Act and to support more responsive and accountable policing.

5.3.3 Policy, Research and Information Management

This sub-programme is responsible for conducting proactive research, policy development, and internal coordination. It ensures alignment between the directorate's strategic direction, case management

system, and standard operating procedures. It also collects, analyses, and disseminates statistical data to support evidence-based decision-making and institutional learning.

The list below summarises the four performance indicators and targets of the *Legal Compliance, Information and Stakeholder Management Programme*:

- Compile 10 stakeholder engagement analysis reports during 2025/26 to strengthen stakeholder relations.
- Compile 12 compliance reports on SAPS and MPS recommendations in 2025/26 to monitor implementation and encourage deterrence of police misconduct.
- Ensure 30% of dockets are quality assured for court within 30 days of receipt during 2025/26. Finalise 1 research paper related to policing, misconduct, or institutional performance in 2025/26.
- Provide legal advice within 5 working days in 100% of requests submitted by investigators during 2025/26.

6. DISCUSSIONS / RESPONSES BY DEPUTY MINISTER/ DEPARTMENT

6.1 Transformation in Government in terms of Race, Disability and Youth: Members were concerned about the demographics of the Department which does not reflect South Africa's diverse population in respect of race and ethnicity. Members also wanted to understand why the disability target was only 2%. Members wanted to know what plan IPID has in place to appoint youth. IPID responded that transformation is a constitutional matter and one which will be addressed through their recruitment processes. In respect of the disability target IPID was hoping to improve but has not been able to attract suitable candidates. In respect of youth, they currently have 41 interns in various offices. IPID responded that during their recruitment and selection processes, they do consider transformation targets, and a report is presented by Human Resources for IPID to meet employment equity targets.

6.2 Conviction rate: Members wanted to understand the variance between the 76 criminal convictions compared to the 5497 cases registered for the year under review. IPID responded that they have improved in criminal convictions and completion rate, with over 1000 matters on the court roll, they do not want to cut corners and they have a quality control unit to lead to convictions. IPID focusses on the number of cases on the court roll, and they push quality over quantity.

- 6.3 Political Interference and Victimization of IPID Staff:** One member raised some media claims that there was political interference in cases in the KZN province. IPID denied that there is any such political interference in their investigations in the province.
- 6.4 Strategies for Staff Retention:** Members wanted to know what measures are being put in place to retain staff. IPID responded that it has a performance award programme running for 2 years and they offer investigators awards and have sponsors who offer monetary value awards. Vacant posts are also advertised internally, and this strategy has assisted in the promotion of investigators who belong to professional bodies to interact with other law enforcement agencies. Section 23 has been implemented for parity of salaries, and they are now receiving equal pay to SAPS detectives. In respect of employee wellness, trauma debriefings are held too.
- 6.5 Backlogs and Vacancies:** Members wanted to know how IPID is addressing the backlog. Members were of the view that the targets were too low considering the high crime rate. Members also wanted to understand the lifecycle of a case from its inception to the conviction. Members further wanted to know if IPID has considered overtime and shift work and how the low number of investigators in Gauteng is being addressed. IPID responded that they are clustering provinces and focusing on the 4 hotspot provinces in terms of the prioritization of cases from low intake to high intake provinces. IPID explained that if they can complete 10 matters per month, this would translate into 3000 cases per year. The presence of retired detectives has helped a lot with the backlog and transference of skills to current investigators. IPID's main concern is in relation to the victims who are waiting for responses to their cases. IPID responded that the life cycle of a case and the investigation depends on whether they can find witnesses and the prospect of success, only then will it be placed on the court roll and there are two possible outcomes; an acquittal or conviction and then the case is closed based on the outcome. In respect of overtime and shift work, IPID has considered this, but it does not work in their environment as courts are open during normal working hours.
- 6.6 Deaths in Police Custody:** Members were concerned that police officers may think that violence is appropriate to obtain information from suspects. Members wanted to know what is being done to change the culture of policing. IPID responded that death as a result of police action is equally concerning to IPID and they are being proactive by implementing education initiatives through station lectures and codes of conduct.
- 6.7 Feedback on Office Space in Upington:** Members wanted to know what happened to the undertaking that IPID made last year in respect of engaging with DPWI for a house in Upington to be used as a district office. IPID had requested to view the house, and they were informed

that the house was no longer available. IPID is still engaging with DPWI for an intervention in respect of office space.

6.8 Witness Protection: Members wanted to know what measures are in place to protect witnesses. IPID responded that once a witness becomes a witness the person is a witness of the State and works with the NPA. If there is a need to invoke protection, this is led by the NPA, and other departments are invited to provide support.

6.9 Forensic Laboratories: Members were concerned that there were reports that Forensic Services takes very long to attend to deaths in the Northwest province. Members also wanted to know about the status of forensic laboratories and whether there is an intention to establish more laboratories. The Deputy Minister indicated that the KZN laboratory is dysfunctional, and they are working with the DPWI to repair the laboratory. SAPS wants to establish a laboratory in Mpumalanga and would ideally like to have a laboratory in every province, but due to budgetary constraints, this may not be possible.

6.10 LGBTQI+ Matters: Members wanted to know if IPID deals with any cases related to the LGBTQI+ community. The Deputy Minister told the committee about the story of a 14-year-old *'tomboy'* whose private parts were removed. The cases they are required to work on are severe and traumatic. For this reason, SAPS would like to have social workers at police stations to assist with these matters.

6.11 Gender Focal Point: Members wanted to understand if this is a unit or a person. IPID responded that it is a unit led by a person who works with the Department of Women Youth and Persons with Disabilities.

6.12 State Security Agency: Members wanted to know how IPID makes use of the State Security Agency's academy. IPID works closely with the SSA who assists with the vetting of employees and with security issues.

6.13 Call Centre: Members wanted to know who contacts the call centre. IPID responded that anybody and everybody can report cases, including witnesses, victims and they receive anonymous calls which often provide leads and assistance with investigations.

7. RECOMMENDATIONS

- 7.1 IPID should work towards improving recruitment efforts targeting people with disabilities and review and raise employment equity targets to better reflect South Africa's demographics.
- 7.2 IPID should develop a youth appointment strategy beyond internships to enable long-term career progression and to improve youth employment in South Africa.
- 7.3 IPID should enhance prosecutor-investigator collaboration for early guidance on evidence requirements and to secure successful convictions.
- 7.4 IPID should accelerate the recruitment of investigators, especially in high-crime provinces like Gauteng and work towards reducing vacancies in all provinces.
- 7.5 IPID should take all measures necessary to ensure that SAPS implements IPID's recommendations. SAPS, CSPS and IPID should work collaboratively to root out corruption within the policing sector.
- 7.6 IPID should develop a long-term infrastructure and expansion strategy to reduce dependency on DPWI and to secure district office stability.
- 7.7 IPID and SAPS should integrate LGBTQI+ sensitivity training and trauma support into the police and IPID training programmes and deploy social workers at high-volume police stations, starting in areas with recurring human rights violations.
- 7.8 IPID should enhance cooperation with SSA on employee vetting and risk profiling and incorporate SSA-led training on security and ethical conduct into IPID's induction and leadership programmes.
- 7.9 IPID should provide regular updates on lifestyle audit implementation and enforcement outcomes to the Select Committee on Security and Justice.
- 7.10 IPID is encouraged to focus on the victim and to enhance the victim centred approach in all investigations and cases.

7.11 IPID should furnish the committee with the following information, within 14 days of adoption of this report:

- The Provincial budget with a case and backlog breakdown, containing all details from the date of inception of the investigation to completion thereof, per province.
- Information pertaining to the improvement of ICT infrastructure, digital transformation and how it is finding expression in IPID's systems.
- An organogram of IPID, with provincial heads, staffing and contact details for each province.
- Information on the integrated case management system and its implementation.
- Information on the expansion of IPID's footprint provincially and satellite offices, including location.
- Provide quarterly feedback to the committee on the implementation of lifestyle audits.

8. CONCLUSION

The Committee welcomed the presentations made by IPID and encouraged IPID to continue fulfilling its mandate in conducting oversight over SAPS and MPS and to make appropriate recommendations, as well as to ensure implementation of the recommendations with the view to rooting out corruption in the policing and law enforcement space.

The Select Committee on Security and Justice supports Budget Vote 24.

Report to be considered.

3. Policy Assessment and Recommendations Report of the Select Committee on Security and Justice on the 2025/26 Budget Vote 28, Annual Performance Plan (App) of the Department of Police (Saps), dated 9 July 2025.

1. INTRODUCTION

The National Council of Provinces represents the provinces to ensure that the provincial interests are considered in the national sphere of government as stated in section 42(4) of the Constitution. This report serves, in terms of Rule 119 of the NCOP rules to assess the strategic plans, annual performance plans and budget of the Department of Police for 2025/26 against the backdrop of service delivery. On the 25th of June 2025, the Select Committee on Security and Justice, held a briefing with the department.

2. STRATEGIC PRIORITIES

The 2025–2030 SAPS Strategic Plan sets out a renewed direction focused on restoring public confidence, professionalising the police service, and improving the effectiveness of crime prevention and response. Anchored in the objectives of the National Development Plan 2030 and the government’s Medium-Term Development Plan (2024–2029), the strategy represents a shift toward measurable service delivery, community-centred policing, and improved internal accountability. It reflects a more integrated and results-oriented approach, with sharper alignment to national priorities such as the MTDP 2024–2029, the National Development Plan (NDP) 2030, and crime-specific imperatives like GBVF, extortion, and infrastructure crime.

2.1 Key Themes and Strategic Priorities

- **Strengthening Service Delivery and Trust in the Police:** SAPS places renewed focus on improving public trust through visible policing, professionalism, and community engagement.
- There is a growing emphasis on police responsiveness, with citizen perception surveys used to gauge satisfaction.
- **Combatting Violent and Organised Crime:** The Strategic Plan prioritises the reduction of contact crimes, murder, and GBVF-related offences, alongside a more explicit focus on extortion and infrastructure sabotage.
- The use of forensic-led investigations, including DNA and ballistics, is central to enhancing detection and conviction rates.

- Integrated Crime and Violence Prevention Strategy (ICVPS) SAPS commits to implementing hotspot-based policing and evidence-based deployment models under ICVPS, with provincial rollouts planned.
- Specialised Policing and Public Order Management: The Strategic Plan reaffirms the mandate of units like NIU, STF, and Public Order Police (POP) in dealing with crowd unrest, public protests, and high-risk operations.
- Border Security and Transnational Crime: SAPS outlines a stronger role in border policing, with performance indicators focused on crime-related hits and interdiction at land, air, and seaports.
- Technology, Digital Policing and Forensics: A commitment is made to modernise police systems, improve the turnaround time of forensic exhibits, and digitise internal case and resource management systems.
- Organisational Reform and Capability Building: There is emphasis on restructuring the organisational model, improving HR processes, enhancing training, and improving member wellness and discipline.

2.2 National Development Plan (NDP)

Chapter 12 of the National Development Plan (NDP) titled “Building Safer Communities” outlines the responsibilities of the policing portfolio in South Africa. The vision of Chapter 12 is that:

"In 2030, people living in South Africa feel safe at home, at school and at work, and they enjoy a community life free of fear. Women walk freely in the streets and children play safely outside. The police service is well-resourced and professional, staffed by highly skilled officers who value their work, serve the community, safeguard lives and property without discrimination, protect the peaceful against violence, and respect the rights to equality and justice."

To achieve this vision, the NDP sets out five focus areas, including:

- Strengthen the criminal justice system.
- Make the police service professional.
- Demilitarise the police.
- Build safety using an integrated approach; and
- Build community participation in safety.

2.3 Medium Term Development Plan

Strategic Priority 3: Build a Capable, Ethical and Developmental State

This is the most relevant section for SAPS, where the following key outcomes are targeted:

- **Reform and modernisation of the Criminal Justice System:** SAPS and other law enforcement agencies are expected to enhance coordination, responsiveness, and trustworthiness through professionalisation and better systems.
- **Effective border security:** SAPS's Border Management function is recognised as central to national safety, with clear expectations for integrated and intelligence-driven operations.
- **Increased safety for women and children:** SAPS is tasked with improving GBV responses, expanding the reach and impact of specialised units like FCS, and ensuring victim-centred policing approaches.
- **Combating priority crimes (economic crime, organised crime, corruption):** Greater emphasis is placed on the investigative capacity of the Directorate for Priority Crime Investigation (DPCI/Hawks) and SAPS's forensic capabilities to address complex and cross-border crimes.
- **Secured cyber space:** SAPS must modernise cybercrime investigation capabilities and collaborate across security structures to combat cyber threats.

2.4 State of the Nation Address (SONA)

During the 2025 SONA, President Ramaphosa highlighted the following priorities related to the policing sector:

- **Collaborative efforts:** The South African Police Service (SAPS) continues to work with other law enforcement agencies to dismantle organised crime syndicates and combat financial and violent crimes. The SAPS has partnered with the metropolitan municipalities (Metro Police Services) and is working with communities to fight crime in the priority provinces where crime is particularly high.
- **High-density operations (Operation Shanela):** The SAPS will intensify Operation Shanela, which has been successful in arresting suspects, recovering firearms and seizing stolen vehicles.
- **Firearm control:** The SAPS will tackle the scourge of gun violence that has plagued our society for decades. The President asked the Minister of Police and the National Commissioner of Police to prioritise reducing gun-related crime and violence. The reduction in gun-related crime and violence includes preventing the diversion of firearms into the illicit market and recovering illegal firearms in circulation.
- **Capacitation of critical divisions:** The Detective Service, which is crucial to solving cases, will be expanded by 4,000 personnel through internal recruitment processes.

- **Modernisation:** The SAPS is working on adopting surveillance, analytics and smart policing solutions for modern law enforcement so that the value of technology in fighting crime is evident. SAPS is also rolling out the use of body worn cameras.
- **Money laundering and terror financing:** South Africa will strengthen its systems to combat money laundering and terror financing with further legislative and system improvements. To secure our removal from the international Financial Action Task Force grey list, South Africa has made significant progress in addressing the weaknesses identified in our law enforcement system, with 16 out of 22 action items fully addressed.
- **Gender-based Violence and Femicide:** The National Council on Gender-Based Violence and Femicide Act, establishing a national structure to oversee a coordinated response to this crisis was promulgated. Support to victims of gender-based violence will be strengthened. All police stations in the country have victim friendly services, and another 16 sexual offences courts will be established in the next financial year.

3. PERFORMANCE INDICATORS AND TARGETS

A summary of the new performance indicators and revised performance targets, per budget programme, include the following:

3.1 Administration Programme

Four new performance indicators were introduced in the revised APP, including:

- Date of finalisation of the police station functionality assessment model. **New indicator**
- Date of finalisation of the police station functionality assessment model. **New indicator**
- Date of finalisation of the impact study on the SAPS/BACSA project. **New indicator**
- Date of finalisation of the impact study on the cooperation agreements with provincial and local government. **New indicator**
- Number of SAPS-owned firearms confirmed as lost. **Revised target: 515**

3.2 Visible Policing Programme: Crime Prevention subprogramme

Five targets were reviewed and improved in the revised APP, including:

- Number of illegal firearms recovered - **Revised target: 6 691**
- Number of identifiable SAPS-owned firearms recovered - **Revised target: Increase to 268**

- Percentage decrease in the reported incidence of contact crime - **Revised Target: Decrease incident rate by 25%**
- Percentage decrease in the reported incidence of contact crime against women (18+) - **Reintroduced target in the Revised APP - Decrease incident rate by 25%**
- Percentage decrease in the reported incidence of contact crime against children (under 18) - **Reintroduced target in the Revised APP - Decrease incident rate by 25%**
- **New indicator:** Decrease in the murder rate per 100,000 population - Target: 30,02% (per 100 000)

3.3 Detective Services Programme

Substantial amendments were made to the performance targets within the Detective Services Programme, specifically under the Crime Investigations subprogramme. The targets linked to the following performance indicators were significantly increased, so much so that they are now classified as **new targets** in the revised 2025/26 APP. These include:

- Detection rate for contact crime - **New/Revised target: 60%**
- Detection rate for murder – **New/Revised target: 60%**
- Percentage compliance with buccal sample collection from Schedule 8 offenders – **New/Revised target: 100%**
- Number of arrests from person-to-crime DNA leads finalised - **New/Revised target: 4 812**
- Number of arrests from crime-to-crime DNA leads finalised - **New/Revised target: 1 208**
- Number of arrests from fingerprint leads finalised - **New/Revised target: 2 164**
- Detection rate for essential infrastructure-related crimes – **New/Revised target: 70%**
- Detection rate for extortion – **New/Revised Target: 60%**
- Number of forensic reports generated - **New/Revised target: 100 000**
- Four targets were reviewed and improved in the revised APP, including:
- Percentage of Integrated Ballistics Identification System (IBIS) leads finalised. **Revised target: 44.80%**
- Detection rate for contact crimes against women (18+) - **Revised target: 78%**
- Detection rate for contact crimes against children (under 18) - *Target: 63.85%* - **Revised target: 78%**
- Percentage of organised criminal groups neutralised with arrests - **Revised target: 70%**

3.4 Crime Intelligence Programme

The Department reviewed the targets within the Security Risk and Vetting Assessments subprogramme, resulting in improvements across all three performance indicators.

- Percentage of security clearances finalised in the SAPS, with a **revised target of 100% 1,500 clearances** in 2025/26.
- Percentage of ICT security assessments finalised in the SAPS, with a **revised target of 2 900 assessments** in 2025/26.
- Percentage of overt mandatory physical security assessments finalised in the SAPS, with a **revised target of 700 assessments** in 2025/26.

3.5 Protection and Security Services Programme

The Department reviewed and revised its targets related to critical infrastructure security, resulting in an increased number of National Key Points (NKPs) to be evaluated and Strategic Installations to be audited in the 2025/26 financial year.

New indicator: Decrease in the murder rate per 100,000 population - Target: 30,02%.

4. BUDGET ALLOCATIONS

4.1 National Budget Allocations

- In 2025/26, the SAPS received a Main Appropriation of R120.88 billion, which is a nominal increase of R7.26 billion or 6.4 per cent compared to the previous financial year. When adjusted for inflation, the real increase is R1.84 billion (1.62%).
- The Administration Programme received a Main Appropriation of R23.1 billion in 2025/26, which is a nominal increase of R1.13 billion or 5.15 per cent. Considering inflation, the allocation increased with R95 million (0.43 per cent).
- The Visible Policing Programme received a Main Appropriation of R64.38 billion in 2025/26, which is a nominal increase of R4.16 billion or 6.91 per cent compared to the previous financial year. In real terms the Programme's allocation increased by 2.1 per cent. Given this is the frontline service, the relatively small real growth raises questions about whether it is sufficient to address rising crime and resourcing shortages, especially in high-crime areas.
- The Detective Services Programme received a Main Appropriation of R24.01 billion in 2025/26, which is a nominal increase of R1.4 billion or 6.32 per cent compared to the previous

financial year. In real terms the Programme's allocation increased by 1.54 per cent (R348.8 million).

- The Crime Intelligence Programme received a Main Appropriation of R5.04 billion in 2025/26, which is a nominal increase of R300 million or 6.34 per cent compared to the previous financial year. In real terms the Programme's allocation increased by 1.56 per cent.
- The Protection and Security Services Programme received a Main Appropriation of R4.34 billion in 2025/26, which is a nominal percentage increase of 5.94 per cent compared to the previous financial year and a real increase of 1.19 per cent.

For the 2025 MTEF, National Treasury has allocated R5, 062 billion funding over the MTEF:

- SAPS has also been allocated additional funding of R4.4 billion over the MTEF for cost-of-living adjustments. This is essential not only for recruitment but also for career progression and retention. By filling higher-level positions through internal promotions, SAPS seeks to maintain institutional knowledge while incentivising long-term service.
- Additional R219.2 million for security during the G20 event hosted in 2025
- Additional R400 million for security during the local government elections in 2026
- Additional R34.8million over the 3-year period for costs relevant to an additional Deputy Minister.

4.2 Provincial Budget Allocations

Province	Operational Baseline Budget Amount (including priorities)		Estimated Total Expenditure (Incl. compensation)
Western Cape	921 803 000	Additional funding for prioritised functions, i.e high crime stations, safety at police stations, GBV & FCS unit capacitation, buccal sample collection kits & Community Policing Forum activities, tools of trade garages, overtime and repair of buildings are included and allocated additionally to the operational baseline amount.	R 9,502 billion
Northern Cape	367 785 000		R 3,433 billion
Free State	523 115 000		R 5,014 billion
Eastern Cape	948 687 000		R 8,943 billion
KwaZulu-Natal	1 182 935 000		R 11,087 billion
Mpumalanga	509 832 000		R 4,867 billion
Limpopo	579 520 000		R 5,393 billion
Gauteng	1 519 250 000		R 14,976 billion
North West	543 171 000		R 4,595 billion
	7 106 098 000		

- The baseline budget allocation to provinces is for operational types of expenditure and overtime remuneration but excluding the wage bill and other compensation of employees.
- Provinces with the highest incidence of reported crime have been prioritised in terms of the allocation of baseline budgets

- As a result of previous MTEF baseline decreases in the Vote, reprioritisation was performed specifically targeting (reducing) national competencies to allow for an increase on provincial baseline budget allocations.
- The Top 30+5 High Contact Crime stations in the country have been prioritised in terms of resources, which includes budget allocation. Each Province also identifies High Crime Stations and prioritises these Stations.

5. DISCUSSION/RESPONSES

5.1 Budget Allocations and Specialized Units: Members wanted to know why there is a significant allocation for Protection and Security Services (R4.3 billion) and the increase in the allocation to the Ministry. Members wanted to know whether there was a dedicated budget line for the anti-gang unit or the K9 unit, especially given their importance in the Western Cape. Members also wanted to know how the anti-gang unit and k9 units are funded, and if there is a plan to increase resources for these units. The department responded that the increase in the protection and security budget is related to the increase in the cabinet and they have a shortage of warm bodies in that environment. The same can be said for the budget of the Ministry to accommodate the deputy ministers. The budget for K9, search and rescue, and dive units is R 9.014 billion. The anti-gang unit's funding is included within the crime prevention budget. R32 million previously ring-fenced for anti-gang units was allocated permanently to the baseline budgets of affected provinces (e.g., Western Cape, KZN, Free State, Eastern Cape, Gauteng, Northwest). Western Cape receives R10 million, KZN R4 million, Free State R5 million, Eastern Cape R6 million, Gauteng R5 million, and Northwest R2.7 million for anti-gang operations.

5.2 Disciplinary Processes and Consequence Management: Members wanted to know why disciplinary processes allow officers accused of serious misconduct to remain on the payroll, and how much is spent annually on salaries for members whose hearings are delayed. Members also wanted to know how SAPS reconciles internal decisions that overturn dismissals for misconduct with the stated goal of improving morale and professionalism. One member cited a case of a police official who had been accused of drug possession and had not received the necessary disciplinary action against him. SAPS responded that the disciplinary regulations allow for sanction variation by divisional or provincial commissioners, depending on case merits. Some sanctions may not be proportional, and SAPS is amending the regulations to ensure consistency. In a case cited by the committee member, the member was charged with "defeating the ends of justice," not drug possession, and the criminal case was declined for prosecution. The sanction was varied based on the evidence. SAPS is working to address delayed hearings and ensure consequence management,

with routine warnings, written warnings, and corrective counselling issued for irregular expenditure cases.

5.3 Resource Distribution and Rural Policing: Members wanted to know how the new functionality assessment model for police stations will be standardized across diverse contexts (urban, rural, high-crime areas). Members also wanted to know how resources, such as personnel and vehicles, are allocated to rural and high-crime stations. SAPS responded that the functionality assessment model will be customized to address different policing contexts and is aimed at improving resource allocation. Recruitment and allocation of new personnel prioritize high-crime and rural stations, with additional recruits for detective services and top 30 high-contact crime stations. Extra vehicles and funding has been allocated to crime scene management and forensic labs to address operational needs.

5.4 Technology and Modernization: Members wanted to know what the plan is for rolling out body-worn cameras and other technology, and how the success will be measured. SAPS has allocated R14 million for body-worn and dashboard cameras, with 100 units targeted for deployment. The rollout is part of a broader modernization strategy.

5.5 Procurement of Vehicles: Members noted that there are serious turnaround delays in terms of the procurement of vehicle parts and wanted to know what the process is to fast track this process. SAPS responded that delays in vehicle maintenance are being addressed through supply chain management interventions and additional funding for vehicle procurement.

5.6 Forensic Backlog and Laboratories: Members wanted to know about the backlogs and whether there is a plan to build new laboratories. Forensic lab backlogs are being managed through overtime, additional personnel, and partnerships (e.g., with CSIR). Infrastructure issues (e.g., lab flooding, generator failures) have affected turnaround times, but recovery strategies are in place. The overtime programme is yielding results and by the end of August 2025, they will have done away with the backlog.

5.7 Gender-Based Violence and Femicide (GBVF): Members wanted to know what the difference is between GBVF desks and victim-friendly facilities at police stations and how SAPS is addressing GBVF, including the role of men as perpetrators and the training of officers. SAPS responded that GBVF desks are coordinating structures with internal expertise for quick responses, while victim-friendly facilities are physical spaces for private, supportive interaction with victims. SAPS has increased funding for FCS units and GBVF responses, with 1.6 billion allocated for FCS-related activities and additional resources for awareness campaigns. Training on GBVF is ongoing, and

SAPS tracks the number of officers trained by provinces. Men are included as both victims and perpetrators in GBVF interventions.

5.8 Firearms: Members were concerned about the loss of firearms and the targets in the APP for Firearms. SAPS responded that firearms are lost not only due to negligence of police officers but sometimes firearms are stolen and removed from police officers during the commission of crimes. SAPS can change the target to zero, but circumstances do not allow for this currently.

5.9 Community Policing Forums (CPFs) and Partnerships: Members wanted to know how CPFs are resourced, and whether there is a national approach to their incentives. SAPS responded that CPFs are voluntary structures and do not receive stipends from SAPS, though some provinces provide incentives. The civilian secretariat is reviewing guidelines for CPF support.

5.10 Abandoned and Vandalised Satellite Police stations: Members wanted to know what the status of abandoned and vandalized police stations is and their role in community safety. SAPS responded that satellite police stations are not abandoned and that concerns about vandalism and closure should be reported to SAPS for follow-up.

5.11 Organized Crime, Extortion, and Construction Mafia: Members wanted to know more about the SAPS' operational plan and budget for tackling organized crime, extortion, and the construction mafia. Members also wanted to know how SAPS is addressing water infrastructure sabotage and related organized crime. SAPS responded that integrated extortion investigation teams have been established, with intelligence-driven operations and multidisciplinary deployments. From April 2024 to March 2025, 2,527 cases of extortion were opened, 1,060 arrests were made, and 36 convictions were secured. SAPS is using unconventional methods, undercover operations, and electronic surveillance to disrupt syndicates.

5.12 Forensic Backlogs (GBVF) and Detective Capacity: Members wanted to know what is being done to address forensic backlogs, especially for DNA and GBVF cases and how SAPS is increasing its detective capacity. SAPS responded that overtime and additional personnel (675) have been allocated to forensic labs, with partnerships to improve efficiency. The backlog is mainly in buccal samples; there are no GBVF backlogs currently. SAPS is recruiting and re-enlisting detectives, with 4,000 new appointments and a detective allowance to attract more members.

5.13 Police Killings and Officer Safety: Members wanted to know why the APP lacks measurable outcomes or budgeted interventions for police killings, especially in provinces like KZN. Members also wanted to understand the plan for body-worn cameras to protect officers. SAPS has a police

safety plan with focused areas and committees at all levels to monitor implementation and impact. The rollout of body-worn cameras is part of the safety strategy, with clear targets and budget allocations.

5.14 Budget Constraints and Operational Challenges: Members wanted to know whether there were any concerns about budget cuts or insufficient allocations for operational needs and how SAPS will manage reduced operational funding. SAPS acknowledged the ongoing budget cuts, with a R 286,239 million operational budget reduction for 2025 and further cuts to goods, services, and equipment. Constant reprioritization is required to ensure essential tools and resources are available for frontline services.

5.15 Traditional Policing and Rural Safety: Members wanted to know what the status of traditional policing initiatives are and how SAPS is increasing its footprint in rural areas. Members also raised a concern in relation to tribalism and factionalism within departments and wanted to know how this is being addressed. SAPS responded that traditional policing is part of the crime prevention strategy, with ongoing implementation and evaluation in various provinces. SAPS is establishing rural safety committees, integrating traditional councils, and deploying mobile community service points to improve rural safety.

5.16 Member Engagement and Oversight: Members wanted to know how Parliament and stakeholders will be kept informed of impact studies and performance assessments. Members also wanted the contact details of the provincial commissioners so that they could interact directly with them in their respective provinces. SAPS committed to sharing findings of impact studies and performance assessments with Parliament. Provincial commissioners were introduced during the meeting, and members were encouraged to engage directly for oversight and support.

6. RECOMMENDATIONS

6.1 SAPS should implement stricter and more consistent consequence management for irregular, fruitless, and wasteful expenditure and expedite disciplinary processes to ensure proportional sanctions for misconduct.

6.2 SAPS should prioritise capacity and resources towards addressing gangsterism and extortion in the provinces most affected by these crimes and increase personnel and equipment to improve efficiency of specialised units.

- 6.3** The Committee commended SAPS for the inclusion of lifestyle audits as a key outcome in SAPS plans as this will strengthen accountability and consequence management for public servants.
- 6.4** SAPS should accelerate the rollout of body-worn cameras, dashboard cameras, drones, and modern communication infrastructure and allocate sufficient funding for technology procurement and maintenance, including forensic laboratory upgrades.
- 6.5** SAPS should urgently address delays in vehicle maintenance and procurement to ensure operational readiness at police stations, particularly given the different landscapes of each province.
- 6.6** SAPS should prioritize resource allocation (personnel, vehicles, equipment) to rural and high-contact crime stations and expand the establishment of mobile police stations and community service points in underserved areas.
- 6.7** SAPS should continue to strengthen its Gender-Based Violence and Femicide (GBVF) response and increase support and resources for Family Violence, Child Protection, and Sexual Offenses (FCS) units.
- 6.8** SAPS should continue to support and expand partnerships with local and provincial governments, traditional councils, and other stakeholders to address organized crime and community safety.
- 6.9** SAPS should urgently address all forensic backlogs and adhere to its timeframe of the end of August 2025 for the completion of the backlogs.
- 6.10** SAPS should provide the Select Committee on Security and Justice and all relevant stakeholders with regular updates on the implementation and impact of strategic plans, performance assessments, and impact studies.
- 6.11** SAPS should implement and monitor the police safety plan, with specific measures to address police killings and attacks and prioritize the well-being and morale of officers through improved working conditions, support programs, and recognition of service.
- 6.12** SAPs should proactively address budget constraints to ensure that key programmes aimed at providing safety to citizens are not compromised and reprioritize available resources to ensure frontline services and critical units are adequately funded.

6.13SAPS should implement technology in respect of bodycams and dashboard cameras to build confidence between the police and citizens and to further contribute towards the safety of police officers in the execution of their tasks.

6.14SAPS should furnish the committee within 14 days of the adoption of the report with the following information:

- SAPS will furnish the Committee with a breakdown of police officers trained in GBVF and the resourcing, capacity and facilities at police stations.
- SAPS will furnish the Committee with all relevant impact assessment and evaluation reports, as they become available.
- SAPS will furnish the Committee with a detailed breakdown of the Community Police Forum (CPF) resource allocation and incentivization approach across all provinces.
- Submit detailed responses to specific questions raised by members regarding budget allocations and operational matters.
- Provide the Committee with a detailed rollout plan for body-worn cameras implementation and success metrics.
- Submit a comprehensive strategy to address tribalism and factionalism tendencies within the department.
- Provide a detailed breakdown of detective training and recruitment numbers per province.
- Submit a detailed plan and budget allocation for tackling construction mafia, extortion rackets and water mafias.

7. Conclusion

The Select Committee on Security and Justice encouraged the integrated, collaboration approach within the cluster from planning, implementation and evaluation and monitoring to respond to the challenges of budgets constraints.

The Select Committee on Security and Justice supports Budget Vote 28.

Report to be considered.

4. REPORT OF THE SELECT COMMITTEE ON APPROPRIATIONS ON THE *PUBLIC SECTOR PENSION AND RELATED PAYMENTS BILL* [B3 – 2025] (NATIONAL ASSEMBLY – SECTION 77), DATED 09 JULY 2025

Having considered the *Public Sector Pension and Related Payments Bill* [B3 – 2025], referred to it in terms of Section 13 of the Money Bills and Related Matters Act, 2009 (No. 9 of 2009) (as amended by Act No. 13 of 2018) (the Money Bills Act), the Select Committee on Appropriations reports as follows:

1. Introduction

Section 213(2) of the Constitution of the Republic of South Africa provides that money may be withdrawn from the National Revenue Fund (NRF) only in terms of an appropriation by an Act of Parliament or as a direct charge against the NRF, when it is provided for in the Constitution or an Act of Parliament.

Direct charges should apply to spending items that –

- Require certainty for recipients such as salaries and pension contributions, provinces receiving their equitable share and lenders receiving repayments;
- Should not be delayed until the enactment of an appropriation Act, such as emergency funding under section 16 of the Public Finance Management Act (PFMA), spending pending enactment of the annual Appropriation Act and the use of the contingency reserve; or
- Are payments under cross-cutting legal obligations of government which varies to the extent that the required annual appropriations for these cannot be determined upfront with certainty.

Direct charges are reflected in the monthly statements of actual revenue and expenditure regarding the NRF, which are published in the Gazette within 30 days after the end of each month as required by section 32 of the PFMA; and in the annual Budget Review and the Estimates of National Expenditure (ENE).

2. Process followed

The Bill was tabled in Parliament by the Minister of Finance on 12 March 2025 during the presentation of the 2025 National Budget (Budget 2.0) and was referred to the National Council of Provinces and the Committee on 24 June 2025 after it had been passed by the National Assembly. In processing the Bill, the Committee received a briefing from National Treasury and consulted with the Financial and Fiscal Commission (FFC), in compliance with section 4(4)(c) of the Money Bills Act, as well as with the Parliamentary Budget Office (PBO). In compliance with section 13(2)(a) of the Money Bills Act, the Committee placed advertisements in 11 official languages on Parliament's website and social media platforms inviting the public and interested parties to comment on the Bill. The invitation was also sent via email to all the stakeholders in the Committee's database. In response, a written submission was received from the Congress of South African Trade Unions (COSATU), who also made an oral presentation during a public hearing held virtually on 25 June 2025.

3. Provisions of the Bill

Clause 1 of the Bill proposes that public sector related pension, post-retirement medical and other benefits in terms of statutory and collective agreement obligations become direct charges against the NRF. Although applicable across the public sector for obligations under various pieces of legislation and collective agreements, these payments have been made under the vote of the National Treasury (programme 7), as it is not possible to link retired beneficiaries to individual institutions. Payments are dependent on the varying number of qualifying persons and their beneficiaries in a given period; making it impossible to determine reliable amounts for appropriations under a single vote. This results in virements and adjustments to top up the contributions, the magnitude of which cannot be accommodated within a single vote.

The Schedule to the Bill include, among others, the following payments as direct charges:

- Pension benefits for former Presidents.
- Employer pension contributions for Members of Parliament who are members of the Political Office Bearers Pension Fund.
- Pension benefits for government officials who retired as a result of injury on duty and their medical costs.
- Medical schemes contributions for retired Public Service Act employees, retired Parliamentary staff and retired Magistrates.

- Benefit payments under the Special Pensions Act.
- Pension benefits and medical costs for ex-service staff under the Military Pension Act.

Clause 2 of the Bill proposes to enable the Minister of Finance to amend the Schedule subject to public consultation and Parliamentary approval. The following amendments may be made to the Schedule:

- Specifying the meaning of any terms.
- Amending or omitting benefits, or adding benefits of the same kind, as a result of changes to legislation or a collective agreement; or new legislation or collective agreement.
- Aligning references with changes to legislation or a collective agreement; or new legislation or collective agreement.

It is proposed that section 13 of the Money Bills Act apply to Parliament's consideration of proposed amendments to the Schedule; as it deals with the process for money Bills other than appropriation and division of revenue Bills. It is further proposed that, if Parliament does not consider the amendments within three months, they are deemed approved. Following Parliamentary approval or deemed approval, amendments to the Schedule are to be published in the Gazette.

4. Stakeholder submissions

4.1 Financial and Fiscal Commission

The Financial and Fiscal Commission (FFC) expressed concerns over the rationale behind the provisions made for public-sector-related pension, post-retirement medical and other benefits in terms of statutory and collective agreement obligations; and called for greater fiscal transparency of its origination, defined roles and responsibility in the handling of pension contributions and benefits as outlined in the Bill.

The FFC indicated that the measure aimed to facilitate the payment of public sector pensions that predate the current retirement policy framework; and emphasised that, under this Bill, it was essential that the responsibilities of the employer, the Government Employees Pension Fund (GEPF), and the employees be clearly defined as policies, processes and procedures.

The employer's primary responsibility should continue to be the deduction of pension contributions from employee salaries and the timely transfer of these funds to the GEPPF. Employees are expected to maintain their pension contributions until opting for early retirement. Moreover, the GEPPF, in conjunction with the National Treasury, should manage the pension fund and fiscus with clear distinctions between early withdrawals and fiscal savings to mitigate impacts on the National Revenue Fund.

4.2 Parliamentary Budget Office

The Parliamentary Budget Office (PBO) indicated that the Government Employees Pension Law of 1996 provided for the payment of pensions and certain other benefits to government employees and their beneficiaries, while the Pension Funds Act of 1956 dealt with the registration, incorporation, regulation, and dissolution of pension funds. The Bill aimed to ensure that certain public sector pension, post-retirement medical, and other pension-related benefits were directly charged against the National Revenue Fund (NRF). The Minister of Finance was proposing amendments to the Schedule after publishing the proposed amendments in the gazette for public comment; considering the public comment and, if necessary, amending the proposed amendments to the schedule; and tabling the proposed amendments, including their proposed effective date, in Parliament for approval. In terms of Section 13 of the Money Bills and Related Matters Act, Parliament must approve, adopt amendments, or reject the proposed amendments within three months from the date of tabling.

4.3 Congress of South African Trade Unions (COSATU)

The Congress of South African Trade Unions (COSATU) welcomed the Bill, submitting that it was of an administrative nature and did not have any adverse impact or threat to public sector pension and related payments. COSATU indicated that the Bill recognised that the state was responsible for all public sector and related payments, while affirming the role of collective bargaining processes and agreements where matters affecting public sector pension funds were discussed and resolved with organised labour.

5. Findings and Observations

Having considered all the submissions made by the above stakeholders on the *Public Sector Pension and Related Payments Bill* [B3 – 2025], the Select Committee on Appropriations made the following findings and observations:

- 5.1 The Committee noted that the allocation of R43.3 billion for public sector pension and related payments indicates a steady increase in the government's long-term liabilities. These include post-retirement medical subsidies, special pension payments, military veterans' benefits, and early retirement provisions, many of which are growing at a rate that exceeds inflation and revenue growth.
- 5.2 The Committee noted that there is insufficient disaggregation in the reporting of pension-related allocations. Further, Parliament and the public are not provided with clear figures showing how much is allocated to each component, such as special pensions, military pensions, and post-retirement health care, which limits meaningful oversight.
- 5.3 The Committee remains concerned over the lack of a comprehensive long-term strategy to manage these obligations in a fiscally sustainable way. The absence of a liability amortization or reduction plan places increased pressure on the national budget over the medium to long term.
- 5.4 The Committee noted that the early retirement without penalty initiative, especially in the education sector, while intended to reduce the wage bill, may lead to unintended negative outcomes such as the premature loss of experienced personnel and an increase in pension-related payouts.
- 5.5 The Committee observed that post-retirement medical subsidies and military pensions are poorly aligned with evolving demographic patterns and fiscal trends. If not reviewed, these obligations may become unsustainable and displace spending from essential service delivery functions.
- 5.6 The Committee noted that the Bill does not clearly define governance and institutional oversight mechanisms for the administration of these pension-related allocations. The lack of performance indicators and reporting obligations makes it difficult to assess value for money and ensure accountability.
- 5.7 The Committee remains concerned over historical disparities and inequities in the treatment of different cohorts of public servants and veterans with respect to post-

retirement benefits. These inconsistencies are a legacy of past reforms and fragmented implementation.

- 5.8 The Committee noted that there has been limited public review of past pension reform decisions, such as the 1996 pension restructuring and subsequent enhancements for military veterans. These decisions continue to have financial implications that are not well understood or evaluated.
- 5.9 The Committee remains concerned that some of the liabilities funded under the Bill do not appear to undergo routine actuarial reviews or public audits. This increases the risk of underestimating future obligations or misallocating funds without corrective oversight.
- 5.10 The Committee acknowledged the constitutional and legal status of these payments but emphasised the need to ensure that they are managed in a manner that does not compromise the state's ability to fund service delivery and developmental priorities.

6. Recommendations

The Select Committee on Appropriations, having considered the briefings and comments by invited stakeholders on the *Public Sector Pension and Related Payments Bill* [B3 – 2025], recommends as follows:

- 6.1 The National Treasury should provide Parliament with a detailed breakdown of the R43.3 billion allocated for public sector pensions and related payments. This should include estimates for each liability category such as military pensions, medical subsidies, and early retirement provisions. This information should be submitted to Parliament during the adjustment budget process in October 2025.
- 6.2 The National Treasury should, within the next budget cycle, develop a long-term funding and liability management strategy. This should outline steps to contain growth in pension-related liabilities and ensure sustainability over the medium- to long-term expenditure framework.

- 6.3 The National Treasury should, in the next budget cycle, develop measures to introduce transparent reporting mechanisms on pension-related payments, including mandatory annual actuarial assessments and expenditure tracking per beneficiary group.
- 6.4 The National Treasury should ensure that any early retirement incentives are preceded by a workforce planning analysis, ensuring that critical institutional knowledge and skills are retained and that financial implications are properly costed and managed.
- 6.5 The National Treasury should, within 60 days after the adoption of this Report by the House, develop a clear mechanism to conduct a sustainability review of post-retirement medical aid and military pensions. This should assess fairness, affordability, and alignment with demographic changes and fiscal realities.
- 6.6 With regards to good governance, a clear governance and institutional accountability framework should be put in place for all allocations under the Public Sector Pension and Related Payments Bill. These should include performance indicators, audit mechanisms, and lines of responsibility.
- 6.7 The National Treasury should undertake a formal review process to identify and address historical disparities in post-retirement benefits, and the outcomes of this process should be presented in Parliament during the next budget cycle. This should be done in consultation with affected cohorts and aligned with equity principles and available fiscal space.
- 6.8 The National Treasury should table a periodic public report assessing the long-term fiscal impact of previous pension reforms, including recommendations for addressing any unintended consequences.
- 6.9 The National Treasury should ensure that all long-term liabilities funded under the Public Sector Pension and Related Payments Bill are subjected to independent actuarial audits every three years. Results should be presented to Parliament on a timely basis for oversight and risk management purposes.
- 6.10 The National Treasury should ensure that the above constitutional obligations are well managed within a coherent fiscal policy framework. This should protect social spending and economic investment while meeting legal pension commitments.

7. Committee decision on the Bill

The Select Committee on Appropriations, having considered the *Public Sector Pension and Related Payments Bill* [B3 – 2025] (National Assembly – Section 77); referred to it and classified by the Joint Tagging Mechanism as a Section 77 Bill, recommends that the Bill be adopted, without amendments.

Report to be considered.

5. Report of the Select Committee on Education, Sciences and Creative Industries on Budget Vote 17: Higher Education and Training, dated 08 July 2025

The Select Committee on Education, Sciences, and Creative Industries having considered Budget Vote 17: Higher Education and Training, reports as follows:

1. Introduction

The Department of Higher Education and Training (the Department) derives its mandate from Sustainable Development Goal Number Four, National Development Plan, Action Plan to 2024 for Schooling 2030, and the Medium-Term Development Plan, to shape its plans such as the Strategic Plan and the Annual Performance Plans.

The Select Committee on Education, Sciences, and Creative Industries (the Committee) considered the Budget and the 2025/26 Annual Performance Plan (APP) of the Department of Higher Education and Training (the Department) on Tuesday, 24 June 2025. The budget review briefing served to acquaint the 7th Parliament Select Committee with the mandate, programmes and priorities of the Department.

This report gives a brief summary of the presentation made by the Department to the Committee, focusing mainly on the 2025/26 Annual Performance Plan and the Medium-Term allocations. The report also provides the Committee's key deliberations and recommendations relating to Vote 17.

2. Summary of the 2025/26 Annual Performance Plan

The Department, in the five years (2024 to 2029) had planned to implement the following set of priorities, which are expressed as Medium-Term Development Plan Outcomes:

- Outcome 1: An integrated and coordinated PSET system.
- Outcome 2: Expanded access to PSET opportunities.
- Outcome 3: Improved success and efficiency of the PSET system.

- Outcome 4: Improved quality of PSET provisioning.
- Outcome 5: A responsive PSET system.
- Outcome 6: Excellent business operations within the Department of Higher Education and Training (DHET).

The 2025/26 Annual Performance Plan (APP) represents the first year towards the achievements of objectives contained in the Department's 2025 – 2030 Strategic Plan. The presentation by the Department to the Committee outlined the Department's approach to the government-wide National Development Plan (NDP) and higher education sector priorities. The intention was to ensure programme activities in the sector were aligned with medium and long-term goals. The annual performance plan (APP) set out what the Department's plans for the 2025/26 financial year and over the medium-term period in implementing its strategic plan. Table 1 below is the summary of Programme Performance Indicators for the 2025/26 financial year.

Table 1: Summary of DHET Programme Performance Indicators for the 2025/26 financial year

Programmes: Higher Education and Training	2024/25 Targets	2025/26 Planned Targets			
		No. of indicators per programme	Annual	Quarterly	Bi-annual
1. Administration	6	9	1	8	0
2. Planning, Policy and Strategy	16	14	14	0	0
3. University Education	26	12	12	0	0
4. TVET Colleges	22	5	4	1	0
5. Skills Development	11	5	4	1	0
6. Community Education and Training Colleges	9	6	0	5	1
Total Distribution	90	51	35	15	1
Percentage Distribution	100%	100%	57%	39%	17%

Source: DHE (2024; 2025b)

The Number of targets for 2025/26 has been reduced significantly from 90 to 51. Of the 51, the majority are annual targets at 35, followed by 15 quarterly, and 1 is bi-annual.

3. Budget of the Department

3.1. Programmes Allocations over the medium term

The table below reflects the budget allocation for 2024/25 and over the medium term.

Table 2: Summary of the overall Budget allocation and medium-term estimates 2024/25 – 2027/28

R million		2024/25	2025/26	2026/27	2027/28
		Total	Total	Total	Total
MTEF allocation					
1. Administration	Purpose: Provide strategic leadership, management and support services to the DHET.	675,7	663,2	694,0	729,4
2. Planning, Policy and Strategy	Purpose: Provide strategic direction in the development, implementation and monitoring of departmental policies and the Human Resource Development Strategy for South Africa..	3 934,5	2 303,7	2 598,6	3 346,1
3. University Education	Purpose: Develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. It also provides financial and other support to universities, the National Student Financial Aid Scheme and the national higher education institute.	91 694,6	96 010,3	100 424,6	104 966,8
4. Technical and Vocational Education and Training (TVET)	Purpose: Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for TVET colleges. It also provides financial and other support to TVET colleges and regional offices.	13 191,6	13 979,9	14 735,1	15 405,2
5. Skills Development	Purpose: Promote and monitor the National Skills Development Strategy. It also develops skills development policies and regulatory frameworks for an effective skills development system	340,6	359,6	376,0	385,0

6. Community Education and Training (CET)	Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training. It further provides financial and other support to CET colleges.	2 936,6	3 125,2	3 304,9	3 455,1
Total expenditure estimates		112 773,5	116 441,7	122 133,2	128 287,6
Direct charge against the National Revenue Fund					
Sector Education and Training Authorities		18 170,4	20 804,8	22 248,8	23 818,2
National Skills Fund		4 542,6	5 201,2	5 562,2	5 954,6
		130 543,3	142 447,7	149 944,2	158 060,3

Source: National Treasury ENE (2025)

Table 2 shows an overview of the 2025/26 Budget and Medium-Term Estimates. Expenditure is expected to increase at an average annual rate of 4.8 per cent, from R137.3 billion in 2024/25 to R158.1 billion in 2027/28. Furthermore, Programme 3 of University Education receives the bulk of the budget equating to 82.5 per cent followed by Programme 4 of Technical and Vocational Education and Training (12 per cent), Programme 6 of Community Education and Training (2.7 per cent), Programme 2 of Planning, Policy and Strategy (2 per cent), Programme 1 of Administration (0.6 per cent) and Programme of Skills Development (0.3 per cent). The allocation of the budget across programmes is of concern, especially when taking into consideration skills development, which is primarily supported under Programmes 3 and 5. For example, Programme 5 only accounts for 0.3 per cent compared to the 82.5 per cent allocation to Programme 3. This would impede the realisation of the NDP targets due to inadequate provision of funding.

3.2. Economic Classifications Allocations over the 2025 MTEF

Table 3: Budget Estimates under Economic Classification

Economic Classification	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
Compensation of Employees	11 682,2	12 582,5	900,3	335,5	7,71 per cent	2,87 per cent
Goods and Services	839,8	746,8	- 93,0	- 126,5	-11,07 per cent	-15,07 per cent

Transfers and subsidies	124 441,0	128 676,8	4 235,8	- 1 540,5	3,40 per cent	-1,24 per cent
Payments for capital assets	303,7	441,6	137,9	118,1	45,41 per cent	38,88 per cent
Payments for financial assets	0,0	0,0	0,0	0,0	-	-
Total	137 266,7	142 447,7	5 181,0	- 1 213,5	3,77 per cent	-0,88 per cent

Table 3 shows the Departments overall budget allocation per economic classification. The allocation shows an increase from R137.3 billion in 2024/25 to R142,4 billion in 2025/26, which is a nominal percentage increase of 3,7 per cent, but a 0.9 per cent reduction when inflation adjusted. The Department's spending is mainly driven by transfers and subsidies to its agencies and accounts, and higher education institutions. Combined, these are estimated to constitute 90.5 per cent (R407.3 billion) of the department's budget over the next 3 years. Spending on compensation of employees, mainly for TVET and CET college lecturers and support staff, is projected to amount to R39.8 billion over the MTEF period, accounting for 8.8 per cent of the department's budget. Cabinet has approved increases to the department's baseline amounting to R407.8 million over the medium term (R127.1 million in 2025/26, R137.1 million in 2026/27 and R143.6 million in 2027/28) to accommodate cost-of-living adjustments. Funding has also been approved via the budget facility for infrastructure to expand student housing (R306 million in 2026/27 and R951 million in 2027/28).

4. Budgetary allocations per programme

4.1. Programme 1: Administration

Programme objective: Provide strategic leadership, management and support services to the Department.

Table 4: Programme 1 Budget Allocation 2024/25 – 2025/26.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1. Department Management	0,0	69,6	69,6	66,5	-	-
2. Corporate Management Services	104,7	40,2	- 64,5	- 66,3	-61,60 per cent	-63,33 per cent

3. Office of the Chief Financial Officer	287,9	318,0	30,1	15,8	10,46 per cent	5,50 per cent
4. Internal Audit	118,8	126,0	7,2	1,5	6,06 per cent	1,30 per cent
5. Office Accommodation	14,4	14,5	0,1	- 0,6	0,69 per cent	-3,83 per cent
TOTAL	675,7	663,2	- 12,5	- 42,3	-1,85 per cent	-6,26 per cent

Table 4 shows the budget allocation in programme one. There is an overall increase in budget from R675,2 million in 2024/25 to R663,2 million in 2025/26, which is a nominal percentage decrease of 12.5 per cent. Most of the allocation in this programme is to sub-programme 3 of office of the Chief Financial Officer, which was allocated R318 million.

4.2. Programme 2: Planning, Policy and Strategy

Programme Objectives:

- Expand access to post-school education and training opportunities to include those outside the schooling system by developing, gazetting and implementing 7 policies over the MTEF period related to the national qualifications framework, career development services, and open and e-learning.
- Monitor social inclusion and equity in the post-school education and training system by producing an annual monitoring report, to be approved by the director-general, on the implementation of social inclusion in the post-school education and training system.
- Provide strategic direction in the development and implementation of departmental policies by monitoring and evaluating the department's policy outputs and coordinating research in the fields of higher education and training over the next three years.
- Improve success and efficiency in the post-school education and training sector by producing and publishing five reports over the medium-term aimed at supporting decision-making, enrolment planning, funding and policy-making.
- Promote international relations by entering into at least two new international scholarship agreements with foreign countries each year over the medium term.
- Improve the responsiveness of the post-school education and training system by producing nine research reports over the medium-term aimed at supporting decision-

making for enrolment planning, funding and policy-making on critical skills, occupations in high demand, priority skills, and skills supply and demand.

- Improve infrastructure delivery at post-school education and training institutions over the medium term by managing the implementation of the integrated infrastructure development support programme for the post-school education and training system; ensuring a functioning ministerial advisory committee that provides technical expertise; and providing oversight of the planning, expenditure, monitoring and evaluation of infrastructure delivery.
- Build and manage relations with post-school education and training sector formations (Universities South Africa, the South African College Principals Organisation, the South African Union of Students, and the South African Technical Vocational Education and Training Student Association) by holding ongoing engagements.
- Facilitate the coordination of economic development, address social challenges in a sustainable manner, and manage and facilitate constructive intergovernmental relations by implementing government’s district development model over the medium term.

Table 5: Programme 2 Budget Allocation 2024/25 – 2025/26.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1: Programme Management: Planning, Policy and Strategy	4,9	5,5	0,6	0,4	12,24 per cent	7,21 per cent
2: Human Resource Development Council of South Africa	11,8	14,4	2,6	2,0	22,03 per cent	16,56 per cent
3: Policy, Planning, Monitoring and Evaluation	3 679,3	2 029,5	- 1 649,8	- 1 740,9	-44,84 per cent	-47,32 per cent
4. International Relations	20,8	27,5	6,7	5,5	32,21 per cent	26,28 per cent

5. Legal and Legislative Services	23,7	26,5	2,8	1,6	11,81 per cent	6,79 per cent
6. Social Inclusion and Quality	194,0	200,3	6,3	- 2,7	3,25 per cent	-1,39 per cent
TOTAL	3 934,5	2 303,7	- 1 630,8	- 1 734,2	-41,45 per cent	-44,08 per cent

Table 5 shows the budget allocation for programme two. The allocation decreases from R3,9 billion in 2024/25 to R2,3 billion in 2025/26, which in a nominal percentage decrease of 41.5 per cent. The Bulk of the budget in programme 2 is allocated to sub-programme 3 of Policy, Planning, Monitoring and Evaluation which receives R2 billion in 2025/26, a nominal percentage decrease of 44.8 per cent from the previous financial year. This sub-programme monitors and evaluates the policy outputs of the department; coordinates research in the fields of higher education and training; and ensures that education policies, plans and legislation are developed into systems. The second highest allocation in this programme is to sub-programme 6 of Social Inclusion and Quality, with an allocation of R200,3 million in 2025/26. This sub-programme promotes access to open and e-learning opportunities, coordinates career development services across all spheres of government, provides career A

4.3. Programme 3: University Education

Programme Objectives:

- Ensure the implementation of the fee increase regulatory framework, updated guidelines for the implementation of the department's bursary scheme and the student funding model by March 2026.
- Ensure the success of students from poor and working class backgrounds by providing financial support to 426 296 students in public universities through the National Student Financial Aid Scheme by March 2026.
- Improve student success and efficiency within the public university system by implementing the university capacity development programme and providing management information and statistical reports for monitoring and evaluation in each year over the medium term.

- Improve staff demographic profiles at universities by allocating 85 new permanent academics to universities by March 2026 through the implementation of the new generation of academics programme.
- Improve the responsiveness of the post-school education and training system and ensure entrepreneurial development in higher education and international scholarship programmes by revising public university academic planning guidelines to ensure a diverse mix of programmes and qualifications by March 2026.

Table 6: Programme 3 Budget Allocation 2024/25 – 2025/26.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1. Programme Management	4,1	5,1	1,0	0,8	24,39 per cent	18,81 per cent
2. University Planning and Institutional Funding	18,1	23,5	5,4	4,3	29,83 per cent	24,01 per cent
3. Institutional Governance and Management Support	47 129,1	48 928,0	1 798,9	- 397,5	3,82 per cent	-0,84 per cent
4. Higher Education Policy Development and Research	10,7	15,1	4,4	3,7	41,12 per cent	34,79 per cent
5. Teaching, Learning and Research Development	33,2	35,8	2,6	1,0	7,83 per cent	2,99 per cent
6. University Subsidies	44 499,3	47 002,8	2 503,5	393,5	5,63 per cent	0,88 per cent
TOTAL	91 694,5	96 010,3	4 315,8	5,9	4,71 per cent	0,01 per cent

Table 6 shows the budget allocation for programme three (3). There is an increase in the overall budget allocation from R91.6 billion in 2024/25 to 96. billion in 2025/26, representing a nominal percentage increase of 4.7 per cent, but no increase in real percentage change. The highest allocation of the budget in programme 3 is allocated to sub-programme 3 of Institutional

governance and management support, which was allocated R48,9 billion in 2025/26, increased from R47.1 billion in 2024/26. This sub-programme involves funds allocated to the National Student Financial Aid Scheme (NSFAS) and other Departmental agencies such as the Council for Higher Education. The second highest allocation is in sub-programme 6 of University subsidies, which was allocated R47 billion in 2025/26 from R44,5 billion in 2024/25, showing a nominal percentage increase of 5,6 per cent, and 0.9 per cent real increase when inflation adjusted.

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

Programme objectives:

- Expand access to post-school education and training opportunities by planning, developing and implementing 3 policies, 102 strategic or annual performance plans, 2 frameworks, 33 guidelines, 3 programme assessment practices and 3 systems for TVET colleges by March 2026.
- Improve the success and efficiency of students in the post-school education and training system over the medium term by:
 - improving the teaching and learning environment at TVET colleges through the effective use of the TVET infrastructure and efficiency grant.
 - operationalising the new examination system, aimed at transforming the conduct of national examinations across the value chain, from the setting of question papers to the certification of successful candidates.
 - reducing the certification backlog.
 - steering TVET colleges towards greater responsiveness in the provision of skills for the labour market.
 - enrolling students in prevocational learning programmes to improve pass and throughput rates.
 - improving the competency of TVET college lecturers through dedicated online curriculum training and placement in industry for workplace exposure.
 - Reviewing TVET college programmes and qualifications to make them more responsive to and aligned with government priorities.
 - improving the governance capacity of TVET colleges and intensifying the oversight function of college councils.

- increasing the number of TVET college lecturers with professional qualifications through formal university-based programmes.
- improving the competence of TVET college lecturers through various short programmes such as project-based teaching methodologies and digital skills.
- Improve service delivery for students by mainstreaming occupational programme offerings through the centres of specialisation programme to expand the TVET curriculum and align it more directly with industry requirements, and by establishing 2 additional disability support units at TVET colleges over the medium term.
- Improve opportunities for work placement by developing entrepreneurial and digital skills through the addition of 3 new or reviewed TVET programmes with integrated digital skills training approved by the director-general by March 2026.

Table 7: Programme 4 Budget Allocation 2024/26 – 2025/26.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1: Programme Management	4,7	4,9	0,2	0,0	4,26 per cent	-0,42 per cent
2: TVET System Planning and Institutional support	12 155,4	12 986,1	830,7	247,8	6,83 per cent	2,04 per cent
3: Programmes and Qualifications	24,5	22,9	- 1,6	- 2,6	-6,53 per cent	-10,73 per cent
4: National Examinations and Assessment	752,5	700,9	- 51,6	- 83,1	-6,86 per cent	-11,04 per cent
5: Technical and Vocational Education and Training	17,3	18,7	1,4	0,6	8,09 per cent	3,24 per cent
6: Regional Offices	237,2	246,3	9,1	- 2,0	3,84 per cent	-0,82 per cent
TOTAL	13 191,6	13 979,8	788,2	160,6	5,98 per cent	1,22 per cent

Table 7 shows the budget allocation for programme four (4). There is an overall increase in allocation from R13,2 billion in 2024/25 to R13.9 billion in 2025/26, which is a nominal increase

of 5.9 per cent and 1,2 per cent when inflation adjusted. Most of the budget in this programme is to sub-programme 2 of TVET system planning and Institutional support receiving an allocation of R12.2 billion in 2025/26, which is a nominal percentage increase of 6.8 per cent from the previous financial year. This sub-programme provides support to management and councils, monitors and evaluates the performance of the TVET system against set indicators, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support materials, provides leadership for TVET colleges to enter partnerships for the use of infrastructure and funding resources, and maps out the institutional landscape for the rollout of the TVET college system.

4.5. Programme 5: Skills Development

Programme Objectives:

- Ensure that SETAs implement skills development interventions in line with the national skills development plan to support an inclusive growth path by March 2026 by:
 - producing and certifying 28 000 artisans towards meeting the National Development Plan’s target of producing 30 000 artisans per year by 2030.
 - prioritising 200 300 workplace-based learning programmes for learnerships, internships and work- integrated learning
 - producing 1 consolidated report on sectoral occupations in high demand and 21 sector skills plans aligned with an updated sector skills plan framework.
- Contribute towards a skilled and capable workforce to support an inclusive growth path by March 2026 by ensuring that:
 - 40 052 learners complete learnerships
 - 39 645 learners complete skills programmes
 - SETAs meet a good governance standard of 95 per cent
 - all SETAs pay allocated mandatory grants to qualifying employers on time
 - trade tests for qualifying applicants are conducted within 40 days.

Table 8: Programme 5 Budget Allocation 2023/24 – 2024/25.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1. Programme Management	6,8	6,3	- 0,5	- 0,8	-7,35 per cent	-11,51 per cent
2. Sector Education and Training Authorities	166,4	175,8	9,4	1,5	5,65 per cent	0,91 per cent
3. National Skills Authority Secretariat	16,0	15,9	- 0,1	- 0,8	-0,62 per cent	-5,09 per cent
4. Quality Development and Promotion	30,0	31,3	1,3	- 0,1	4,33 per cent	-0,35 per cent
5. National Artisan Development	121,3	130,2	8,9	3,1	7,34 per cent	2,52 per cent
TOTAL	340,5	359,5	19,0	2,9	5,58 per cent	0,84 per cent

Table 8 shows the budget allocation for programme five. There is an overall increase in the budget from R340,5 million in 2024/25 to R359,5 million in 2025/26, which is a nominal percentage increase of 5.6 per cent. The highest allocation of the budget in this programme is to sub-programme 2 of Sector Education and Training Authorities which was allocated R175,8 million, showing a nominal percentage increase of 5.6 per cent from the previous financial year.

5. Programme 6: Community Education and Training (CET)

Programme objectives:

Contribute towards achieving the outcomes, impact and equity targets outlined in the department's 2020-2025 strategic plan by March 2026 by:

- implementing the sustainable funding model and diversifying programme offerings in CET colleges geared towards expanded access and responsive colleges
- implementing the advocacy strategy to support and guide CET colleges to meet their enrolment targets by attracting more young people.
- enabling the holistic implementation of norms and standards for funding CET colleges.

- introducing skills programmes that align with strategies that seek to address unemployment, poverty and inequality within communities.
- building lecturer capacity to ensure the provision of quality programmes and increased success in CET colleges.

Table 9: Programme 6 Budget Allocation 2023/24 – 2024/25.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1. Programme Management	3,7	5,2	1,5	1,3	40,54 per cent	34,23 per cent
2. Community Education and Training System Planning, Institutional Development and Support	2 681,8	2 860,4	178,6	50,2	6,66 per cent	1,87 per cent
3. Community Education and Training Financial Planning and Management	232,7	242,7	10,0	- 0,9	4,30 per cent	-0,38 per cent
4. Education, Training and Development Assessment	18,4	16,9	- 1,5	- 2,3	-8,15 per cent	-12,28 per cent
TOTAL	2 936,6	3 125,2	188,6	48,3	6,42 per cent	1,65 per cent

Table 9 shows the budget allocation for programme six. There is an overall budget increase from R2.9 billion in 2024/25 to R3.1 billion in 2025/26, which is a nominal percentage increase of 6.4 per cent. The highest allocation in this programme is to sub-programme two of Community Education and Training System Planning, Institutional Development and Support, with an allocation of R2.9 billion, which is a nominal percentage increase of 6.7 per cent from the previous financial year. This programme provides support to management and councils, monitors and evaluates the performance of the CET system, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support material, provides leadership for CET colleges to enter into partnerships for the use of infrastructure for college site-hosting centres, and funds these partnerships, maps an institutional landscape for the

rollout of the CET system, and is responsible for the planning and development of CET infrastructure.

6. Transfers to Entities

Table 10: Transfers to the DHET Entities 2023/24 – 2024/25

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1: Council for Higher Education	96,7	97,1	0,4	- 4,0	0,41 per cent	-4,09 per cent
2. National Skills Fund	6 137,1	6 501,5	364,4	72,5	5,94 per cent	1,18 per cent
3. National Students Financial Aid Scheme (NSFAS)	54 454,4	56 991,3	2 536,9	- 21,4	4,66 per cent	-0,04 per cent
4. Quality Council for Trades and Occupations	167,5	168,4	0,9	- 6,7	0,54 per cent	-3,98 per cent
5. Sector education and training authorities	26 847,4	24 667,9	- 2 179,5	- 3 286,8	-8,12 per cent	-12,24 per cent
6. South African Qualifications Authority	147,8	149,2	1,4	- 5,3	0,95 per cent	-3,58 per cent

Table 10 shows the budget transfers to the Departmental entities. The entity with the highest allocation is NSFAS with a budget of R56,9 billion in 2025/26, showing a nominal increase of 4.6 per cent, but not significant change in real terms. The 21 Sector Education and Training Authorities (SETAs) combined show the second highest allocation and will share a budget of 24,7 billion in 2025/26, which is a decrease from R26,8 billion (or 12.2 per cent inflation adjusted decrease) from 2024/25. The National Skills Fund will receive an increase from R6,1 billion in 2024/25 to R6,5 billion in 2025/26, which is a nominal percentage increase of 5.9 per cent.

8. Committee Deliberations on DHET APP and Budget

8.1. Committee Observations on National Department of Higher Education and Training (DHET)

The Committee, having considered and deliberated on the Annual Performance Plans 2025/26 of the Department of Higher Education and Training made the following key observations and findings:

- The committee was concerned about universities producing graduates who become unemployed and questioned whether the skills produced are required in the country. They further enquired about how the Department is planning to deal with rising graduate unemployment.
- The committee was concerned over the continued maladministration of the National Student Financial Aid Scheme (NSFAS), more particularly on issues that negatively affect student registration, accommodation, and distribution of allowances.
- The committee raised concerns over institutions of higher learning being unable to absorb enough students leaving the school system.
- The committee raised concern over significant funding for Universities when compared to TVET colleges. This is against the Departments plan of increasing technical skills.
- The committee requested details of the NC(V) programmes to be discontinued by giving a list of all the qualifications to be impacted, along with the anticipated impact concerning campus infrastructure and lecturing staff.
- The committee requested information on how the Department gathers information from lecturers in the TVET sector to establish individual lecture training and development needs, along with lecturers' willingness to actively and enthusiastically participate in training and development programmes to enhance their capacity in the TVET sector.
- The committee wanted information regarding the reasons for the reduction in the number of targets for 2025/26 in the APP from 90 to 51.
- The committee was concerned that the department is currently facing 139 litigations and wanted to know how this can be prevented in the future.

- The committee was concerned about high levels of irregular expenditure and poor accountability and oversight of SETAs and wanted to know how the Department will strengthen oversight over SETAs.
- The committee enquired about the establishment of disability student units in CET colleges.
- The committee enquired about the status of the construction of a medical school at North West university.
- The committee raised concern about the poor filling of vacancies managers within TVETS and CET colleges.
- The committee raised concerns over the lack of upgrading of infrastructure and programme offerings in the University of Mpumalanga.
- The committee enquired about psychosocial support being provided to students.
- The committee requested an update on the outcomes of the G20 working group?
- The committee raised concerns over the regulations around appointing foreign nationals in positions that are not scarce skills within universities.
- The committee enquired about the interventions to address outdated curriculum in TVET colleges.
- The committee enquired about the impact of US research funding cuts and their impact on the Department and Universities.
- The committee showed concerns over the Auditor General's report citing double dipping by students, benefitting from both SETAs and NSFAS at the same time.
- The committee enquired about bridging courses for adults in higher education and as to whether there are enough opportunities in this area.
- The committee enquired about the status of implementation of audit action plans and consequence management from the previous financial year.

9. Committee recommendations

The Committee, having considered Budget Vote 17: Higher Education and Training, together with the Annual Performance Plan of the Department of Higher Education and Training recommends the following:

- The Department should review qualifications that lead to increased graduate unemployment to reduce skills mismatch.
- The Department should intensify efforts on ensuring that it makes TVET colleges attractive to students to increase artisan training.
- The Department should provide reports on the expenditure of NSFAS funds on student accommodation and allowances by no later than 28 February 2026.
- The Department should provide the feedback to the committee on how it will address the issue of student historical debt with Universities and TVET colleges by the end of fourth quarter of the 2025/26 financial year.
- The Department should brief the committee on the internationalisation policy in terms of appointment of foreign nationals with scarce skills.
- The Department should provide a comprehensive report on how it plans to upgrade the curriculum of TVET colleges to meet the demands of industry
- The Department should provide a report on how it plans to monitor the work of SETAs in delivering on their mandate and ensuring that acts of maleficence are prevented.

11. Conclusion

Having satisfied itself in its engagement with the Department of Higher Education and Training on their Annual Performance Plan and Budget, the Select Committee on Education and Sciences and Creative industries recommends that Budget Vote 17: Higher Education and Training be adopted as a reflection of discussions that were held with the executive authority.

The Committee notes the objection of the Democratic Alliance.

Report to be considered

6. Report of the Select Committee on Education, Sciences and Creative Industries on Budget Vote 37: Department of Sport, Arts and Culture, Dated 08 July 2025

The Select Committee on Education, Sciences and Creative Industries (the “Committee”), having considered the 2025 – 2030 Strategic Plan, the 2025/26 Annual Performance Plan (APP), and the budget of the Department of Sport, Arts and Culture, Vote 37; reports as follows:

1. INTRODUCTION

The Select Committee on Education, Sciences and Creative Industries (the Committee) considered the Budget and the 2025/26 Annual Performance Plan (APP) of the Department of Sport, Arts, and Culture (the Department) on Tuesday, 15 April 2025. The budget review briefing served to acquaint the 7th Parliament Select Committee with the mandate, programmes and priorities of the Department.

The purpose of this document, therefore, is to table the Committee report after scrutiny of the budget allocated to Vote 37: Sport, Arts and Culture in the 2025 Estimates of National Expenditure (ENE). This Budget Vote Report thus provides a comprehensive analysis of the Department’s allocated budget and examines the Department’s 2025/26 budget in the ambit of its Strategic Plan for the period 2024/25 – 2029/30 and the 2025/26 APP. In addition, links are made to key Government policy documents, including, amongst others, the National Development Plan: Vision 2030 (NDP), the 2024 – 2029 Medium Term Development Plan (MTDP), and the 2025 State of the Nation Address (SONA).

1.1. Mandate of DSAC

The Department is mandated to provide leadership to the sport, arts and culture sector to accelerate its transformation; oversee the development and management of sport, arts and culture in South Africa; legislate on sports participation, sports infrastructure and safety, improve South Africa’s international ranking in selected sports through a partnership with the South African Sports Confederation and Olympic Committee (SASCOC); preserve, develop, protect and promote the cultural, heritage, linguistic diversity and legacy of

South Africa lead nation-building and social cohesion through social transformation; enhance archives and records management structures and systems; and promote access to information.

1.2. Purpose of the Vote 37

The purpose of the Vote is to provide an enabling environment for the sport, arts and culture sector by developing, transforming, preserving, protecting and promoting sport, arts and culture at all levels of participation to foster an active, winning, creative and socially cohesive nation.

2. STRATEGIC OVERVIEW OF THE DEPARTMENT OF SPORT, ARTS AND CULTURE

The DSAC APP outlines how the Department's strategic outcomes align with the policy priorities of the NDP and the 2024 – 2029 MTDP, as well as policy documents which guide the work of the Department, namely the Revised White Paper on Arts, Culture and Heritage (RWPACH); the White Paper on Sport and Recreation (WPSR); the National Sport and Recreation Plan (NSRP); the Cultural and Creative Industries Masterplan (CCI Masterplan); and the Economic Reconstruction and Recovery Programme (ERRP).

In relation to the NDP, the Department responds chiefly to Chapter 15: *Transforming society and uniting the country*. Additionally, through initiatives that relate to job creation, transformation and infrastructure development, the Department responds to Chapter 3: *Economy and Employment*.

The MTDP priorities are designed to guide South Africa's development agenda over the next five years and aim to achieve the goals outlined in the NDP. The Government of National Unity (GNU) agreed on three (3) Strategic Priorities, namely:

1. Drive inclusive growth and job creation.
2. Reduce poverty and tackle the high cost of living.
3. Build a capable, ethical, and developmental state.

During the opening of Parliament on 18 July 2024, the President reaffirmed these priorities. Each priority has a range of strategic outcomes. One of the six outcomes of

Strategic Priority 2 is “Social cohesion and nation-building”. Nation-building, social cohesion and unity in diversity is one of the foundational principles of the Statement of Intent, echoing the NDP. Its minimum programme of priorities includes strengthening social cohesion, nation-building and democratic participation, and undertaking common programmes against racism, sexism, tribalism and other forms of intolerance.¹ Through including a range of key intervention indicators that respond to the following 2024 – 2029 MTDP strategic interventions, the Department will formally commit as a lead institution on these strategic interventions, including:

- *Create high-quality work opportunities through public employment programmes.*
To contribute to this strategic intervention, the Department will create work opportunities through creative sector stimulus.
- *Promote and protect South Africa’s diverse languages and cultures.*
The Department will support university students to study languages and will also support multi-year human language technology projects;
- *Implement a national civic education campaign on the Constitution, including at all public and private schools.*
The intervention indicator comprises initiatives implemented to raise awareness of the national symbols.
- *Invest in shared public spaces such as parks and cultural institutions.*
 - Provide schools and clubs with sporting equipment.
The Department plans to support hubs, clubs or schools provided with equipment and/or attire to enable participation in sport and/or recreation.
 - *National school sport championship programme.*
The Department will enable learners to compete at the National School Sport Championships.
 - *Construct community outdoor gyms and children’s play parks.*
Through the construction of community outdoor gyms and children’s play parks, the Department endeavors to enrich shared public spaces and promote active lifestyles.

¹ Department of Planning, Monitoring and Evaluation. (2025). *Medium Term Development Plan 2024 – 2029*. Pretoria, Department of Planning, Monitoring and Evaluation.

The Department's Strategic Plan, informed by the priorities of the 7th Administration, ensures that its priorities align with the MTDP and the NDP. As such, key strategic focus areas for the Department include, but are not limited to:²

- Social cohesion and nation-building;
- Increasing participation within the sector through addressing barriers, designing inclusive programmes, and engaging communities;
- Sport as a tool for addressing a wide range of social, cultural, and developmental objectives;
- Economic contribution and job opportunities;
- Increasing funding for the sector through leveraging public and private resources, forming strategic partnerships, and tapping into innovative funding streams;
- Transformation and inclusivity;
- Enhancing accessibility;
- Infrastructure development; and
- Supporting youth development and education.

The South African Economic Reconstruction and Recovery Plan (ERRP)³ introduced in October 2020, was developed, in the short-term, to preserve lives through supporting livelihoods, distressed firms and financial systems and health care. In the long-term, the ERRP focuses on economic recovery and reconstruction to be implemented by Government and social partners to stimulate equitable and inclusive growth. In pursuit of the NDP goals of reducing unemployment, poverty and inequality, the ERRP thus aims to build a new economy and unleash South Africa's true potential. The overarching goal of the plan is to create a sustainable, resilient, and inclusive economy.

In terms of aligning and contributing to the ERRP, in its Strategic Plan the Department has identified priority areas where specific interventions can create an enabling environment towards economic recovery:⁴

² Department of Sport, Arts and Culture. (2025). *Strategic Plan 2025/2030*. Pretoria, Department of Sport, Arts and Culture, pp.37-45.

³ The Presidency. (2020). *The South African Economic Reconstruction and Recovery Plan*.

⁴ Department of Sport, Arts and Culture. (2025). *Strategic Plan 2025/2030*. Pretoria, Department of Sport, Arts and Culture.

- *Support job creation using the employment multiplier model*, which includes job opportunities created through the Presidential Employment Stimulus Plan (PESP);
- *Creating an enabling environment* through legislation and programmes that promote training, skills development and skills transfer to sector practitioners;
- *Enabling access to local and international markets* realised through implementing programmes on an international platform such as the Cultural Seasons and the promotion of national and provincial flagship projects;
- *Reviving the Economy through Infrastructure Development* is a cross-cutting priority that is responded to through the range of sport facilities, theatres, heritage facilities, and libraries

In his State of the Nation Address on 06 February 2025, President Ramaphosa reiterated the country's focus on empowering target groups in the following statement:⁵

*We want a nation in which prosperity and opportunity is shared by all. For many decades our economy has been held back by the exclusion of the vast majority of the South African people. Black South Africans were deprived of land, of capital, of skills, of opportunities. Our economy was starved of the potential of its people...[We] need to **transform our economy and make it more inclusive**...[and] focus on empowering **black people, women and persons with disabilities** because they were deliberately excluded from playing a key role in the economy of their own country.*

Particularly in relation to the creative sector, the President acknowledged the importance of the sector by stating, “The services sector is now the largest part of our economy, ranging from financial services to retail, hospitality, tourism and the burgeoning creative industry”.⁶

For the 2025/26 financial year, the Department has committed to focus on core projects which align with Government priorities. In its effort to translate the broad policy statements into implementable programmes, the Department's outcomes will be realised through the implementation of various projects and interventions. These projects focus on the economic contribution of the sector; the DSAC's lead role in building a diverse,

⁵ Ramaphosa, MC. (2025). *State of the Nation Address*. Parliament, Cape Town, 06 February.

⁶ Ramaphosa, MC. (2025). *State of the Nation Address*. Parliament, Cape Town, 06 February.

socially cohesive society; transforming the sector through capacity building; providing integrated and accessible (SAC) infrastructure and information; and the ongoing strive for compliant and responsive governance.

3.1. DSAC Outcomes⁷

Guided by the constitutional and legislative mandate, the NDP, and the 2024 – 2029 MTDP, the Department will implement strategic interventions that contribute to five key outcomes. These outcomes and a brief outline of outputs are presented below.

Outcome 1: A diverse, socially cohesive society with a common national identity; Outcome 2: Increased economic impact of sport, recreation, arts, culture, and heritage sector; Outcome 3: Transformed, capable and professional sport, recreation, arts, culture and heritage sector; Outcome 4: Accessible sport, recreation, arts, culture and heritage infrastructure and information; Outcome 5: Compliant and responsive governance nationally and internationally.

DSAC Outcome 1: A diverse, socially cohesive society with a common national identity

During 2023/24, the Department with its various partners and stakeholders reviewed the National Strategy for Developing an Inclusive and a Cohesive South African Society to refocus efforts and improve the response to what the NDP calls for. Following this, the Department plans to support a range of projects across its budget programmes during 2025/26 including, but not limited to:

- programmes contributing to the transformation of the cultural and creative industry sector;
- initiatives against Gender-Based Violence and Femicide (GBVF);
- programmes promoting social cohesion and nation-building;
- initiatives to raise awareness of the national symbols;
- community sport and recreation programmes; and
- publishing Government Gazette notices on standardised geographical names published.

⁷ Department of Sport, Arts and Culture. (2025a). *Annual Performance Plan 2025/26*. Pretoria, Department of Sport, Arts and Culture.

DSAC Outcome 2: Increased economic impact of sport, recreation, arts, culture, and heritage sector

The sector has significant potential to create job opportunities, stimulate investment, and support local economies. With targeted investments and promotions, the sport, recreation, arts, culture, and heritage sector can drive tourism, entrepreneurship, and industry growth, and contribute to the national economy.

At the core of this outcome is the implementation of the Mzansi Golden Economy (MGE) strategy which fosters job creation, economic transformation, and inclusivity. The MGE strategy unlocks the potential for economic growth by exposing creative products to markets and audiences to promote artists and create access to opportunities.

In 2025/26, the Department aims to create 10 000 job opportunities through financially supporting 34 projects that facilitate local and international market access, empowering artists and creative practitioners to expand their reach. Additionally, 17 cultural and creative industry sector organisations will receive funding to strengthen intellectual property rights management.

Over the MTEF period, the MGE strategy aims to support 16 creative industry projects to improve access to finance and investment, fund 27 capacity building projects (linked to Outcome 3, see below) and develop 13 innovation hubs for product development at a projected cost of R229 million.⁸

DSAC Outcome 3: Transformed, capable and professional sport, recreation, arts, culture and heritage sector

This outcome aims to create a workforce equipped with expertise and a sector that mirrors the nation's demographics, promoting inclusivity and excellence. In 2025/26, outputs that contribute to this outcome include:

- awarding of bursaries in heritage and language practice;
- providing hubs, clubs or schools with equipment and/or attire to enable participation in sport and/or recreation;
- enabling learners to compete at the National School Sport Championships;
- supporting school sport programmes at a district and/or local level;

⁸ National Treasury. (2025). *Estimates of National Expenditure*. Pretoria, National Treasury.

- facilitate athlete development programmes supported by the sport academies; and
- support all compliant sport and recreation bodies.

DSAC Outcome 4: *Accessible sport, recreation, arts, culture and heritage infrastructure and information*

This outcome aims to expand access to infrastructure and resources to ensure all South Africans can participate in and benefit from sectoral activities, empowering communities through opportunities for cultural expression, recreation, and engagement. For the current financial year, inputs that contribute to the achievement of this outcome include, among others:

- support provided to municipalities during the planning and implementation of sport infrastructure projects to ensure compliance with the applicable Norms and Standards;
- outdoor gyms and children’s play parks constructed;
- analysed reports on the implementation of the National Policy on the Repatriation and Restitution of the Human Remains and Heritage Objects (new performance indicator);
- digitisation of archival records; and
- financial support provided to libraries.

DSAC Outcome 5: *Compliant and responsive governance nationally and internationally*

Outcome 5 aims to ensure effective governance to safeguard transparency, accountability, and adherence to regulations. In striving to achieve this outcome, the Department plans to develop systems to automate manual functions; pay invoices timeously; and implement sport and cultural initiatives to promote South African cultural values.

In its 2025/26 APP, the Department documents initiatives aimed to empower and promote the inclusion of marginalised groups, especially women, the youth, rural communities, and persons with disabilities.⁹ These initiatives cut across all line functions and the Committee should monitor the implementation thereof.

⁹ Department of Sport, Arts and Culture. (2025a). *Annual Performance Plan*, pp.57-71.

3.2. Legislative and Policy Environment 2025/26

The Department highlighted the following bills and their respective status in the 2025/26 APP:

Bill	Status	Notes from 2024/25 APP
a. National Sport and Recreation Amendment Bill, 2021	State Law Advisor and Legal Services engaging.	Envisaged for completion in 2024/25.
b. South African Geographical Names Council Amendment Bill, 2021	Final draft of Bill being submitted to Minister requesting consultation through Gazette.	Envisaged for completion in 2025/26.
c. Heraldry Amendment Bill, 2023	Commencing with Socio-Economic Impact Assessment System (SEIAS).	Envisaged completion: 2025/26.
d. Use of Official Languages Amendment Bill, 2023	Under amendment.	Status unchanged from 2024/25.

Source: Department of Sport, Arts and Culture. (2024). *APP 2024/25*, p.30; Department of Sport, Arts and Culture (2025a), *APP 2025/26*, p.23.

Two White Papers, namely the Revised White Paper for Arts, Culture, and Heritage and the White Paper for Sport and Recreation guide the Department's policy and legislative programme. The 2025/26 APP notes that the Department is in the process of developing and/or reviewing legislation, policies and framework documents. During the 7th Administration, the Department envisages revising and/or initiating policies, strategies, and key supporting plans in a range of areas including the National Sport and Recreation Plan; the School Sport blueprint; National Policy Framework for Heritage Memorialisation; and an integrated funding model. The Department notes that it has approved the Women in Sport Policy Framework in January 2025 for implementation, a key focus for the Department will be addressing gender inequality in sport, particularly ensuring equal pay and resource allocation for female athletes.¹⁰

The mandate of the Department is wide and inclusive of interventions that are central to the holistic advancement of the nation. The following section of the report outlines details of the budget allocation in relation to fulfilling this mandate.

¹⁰ Department of Sport, Arts and Culture. (2025a). *Annual Performance Plan 2025/2026*, p.104.

3. SUMMARY OF BUDGET EXPENDITURE (2025/26)

The total budget allocation for the 2025/26 financial year is R6.31 billion. The Department organises its expenditure under four programmes, these are:

- Programme 1: Administration (R516.2 million, or 8.2% of the total allocation);
- Programme 2: Recreation Development and Sport Promotion (R1.28 billion, or 20.3% of the total allocation);
- Programme 3: Arts and Culture Promotion and Development (R1.73 billion, or 27.3% of the total allocation); and
- Programme 4: Heritage Promotion and Preservation (R2.79 billion, or 44.2% of the total allocation).

The table below reflects the budget allocation for 2025/26 and over the medium term.

Table 1: Overall Budget Allocation 2024/25 – 2027/28

Programme	Programme purpose	Adjusted appropriation	Medium term expenditure estimate		
		2024/25	2025/26	2026/27	2027/28
1: Administration	Purpose: Provide strategic leadership, management and support services to the Department.	456,3	516,2	543,3	567,3
2: Recreation Development and Sport Promotion	Purpose: Support the provision of mass participation opportunities, the development of elite athletes, and the regulation and maintenance of facilities.	1 282,0	1 281,1	1 355,4	1 417,2
3: Arts and Culture Promotion and Development	Purpose: Promote and develop arts, culture and languages, and implement the national social cohesion strategy.	1 658,0	1 725,5	1 415,5	1 477,5
4: Heritage Promotion and Preservation	Purpose: Preserve and promote South African heritage, including archival and heraldic heritage. Oversee and transfer funds to libraries.	2 709,5	2 787,1	2 920,5	3 045,9
Total expenditure estimates		6 105,7	6 309,9	6 234,8	6 516,8

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

The table below provides an indication of the changes to the budget allocations across the medium term. When the projected inflation rates are applied, the difference between the nominal and inflation-adjusted amounts is determined. The cumulative growth rate is the average growth rate over the medium term.

Table 2: Budget allocation across the medium term showing inflation-adjusted amounts

R million	Budget allocation				
	2024/25	2025/26	2026/27	2027/28	
Budget allocation	6 105,7	6 309,9	6 234,8	6 516,8	
Projected inflation rate	-	4,7%	4,5%	4,4%	
Inflation factor	100,0%	104,7%	109,4%	114,2%	
					Cumulative growth rate
Nominal amounts	6 105,7	6 309,9	6 234,8	6 516,8	2,2%
Inflation-adjusted amounts	6 105,7	6 206,6	5 698,5	5 705,2	-2,2%

Source: National Treasury. (2025). *Estimates of National Expenditure*, own calculations

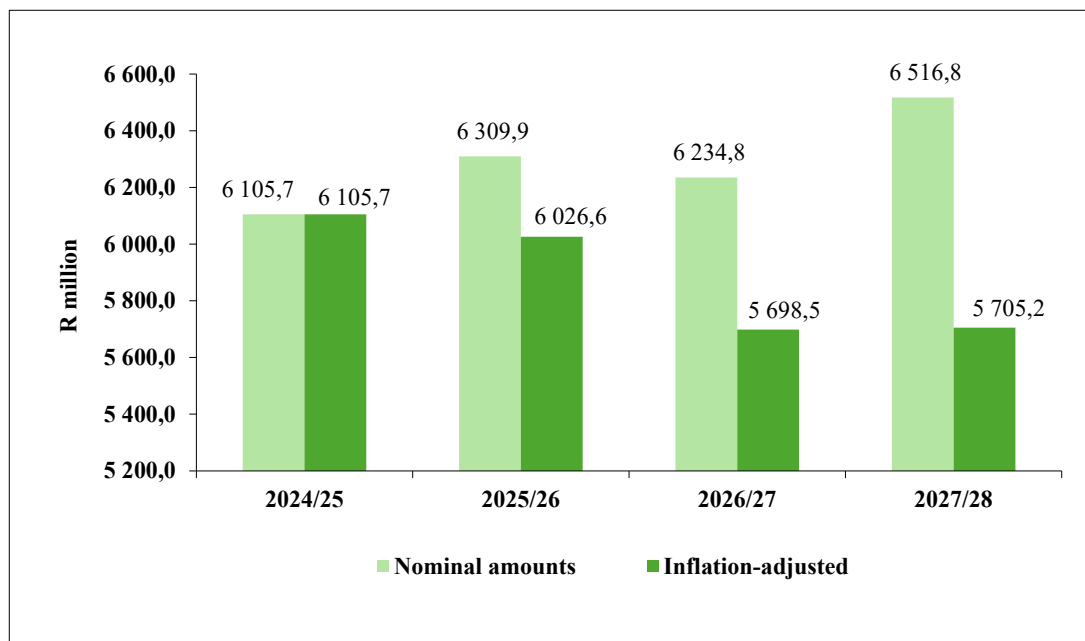


Figure 1: Budget allocations over the medium term showing nominal and inflation-adjusted amounts

The percentage of the total budget allocation per programme, as well as the percentage change in allocation between the 2024/25 and 2025/26 financial years are shown in the table below.

Table 3: Budget allocation per programme showing change in percent of total budget and change in number of targets 2024/25-2025/26.

Programme	Budget	% of total budget per programme	Budget	% of total budget per programme	Change in % allocation	Number of annual targets	
						2024/25	2025/26
R million	2024/25		2025/26			2024/25	2025/26
Programme 1	456,3	7,5%	516,2	8,2%	0,7%	6	2
Programme 2	1 282,0	21,0%	1 281,1	20,3%	-0,7%	11	8
Programme 3	1 658,0	27,1%	1 725,5	27,3%	0,2%	19	9
Programme 4	2 709,5	44,4%	2 787,1	44,2%	-0,2%	9	6
Total	6 105,7	100,0%	6 309,9	100,0%	0,0%	45	25

Source: National Treasury. (2025). *Estimates of National Expenditure*, own calculations.

Taking the total budget allocation into consideration, Programme 4: Heritage Promotion and Preservation receives the largest allocation at R2.79 billion (44.2%), followed by Programme 3: Arts and Culture Promotion and Development with R1.73 billion (27.3%). The lowest allocation is directed towards Programme 1: Administration, which receives R516.2 million (8.2%). Programme 2: Recreation Development and Sport Promotion receives the second lowest allocation at R1.28 billion (20.3%).

Compared to the 2024/25 financial year, Programmes 1, 3, and 4 have slightly higher allocations in 2025/26, while Programmes 2 has been allocated a slightly lower budget. The number of annual targets is reduced from 45 in 2024/25 to 25 in 2025/26. The Department provided the following reasons for the reduction of the indicators in the APP:¹¹

- Some indicators, e.g. as in Programme 1, are compliance indicators and will be reported irrespective if they are in the APP or not.
- Indicators were consolidated into one.
- Indicators were too operational and therefore moved to the operational plan.
- In some cases, the mode of implementation changed and the target and/or the performance indicator was adjusted/excluded.
- Aligning to the 7th Administration; the MTDP and/or the strategic direction provided by the Executive Authority.

¹¹ Department of Sport, Arts and Culture. (2025b). *Comparative summary: Performance Plan For 2024/2025 vs 2025/26*. Submitted to the Portfolio Committee on Sport, Arts and Culture via email, 25 June.

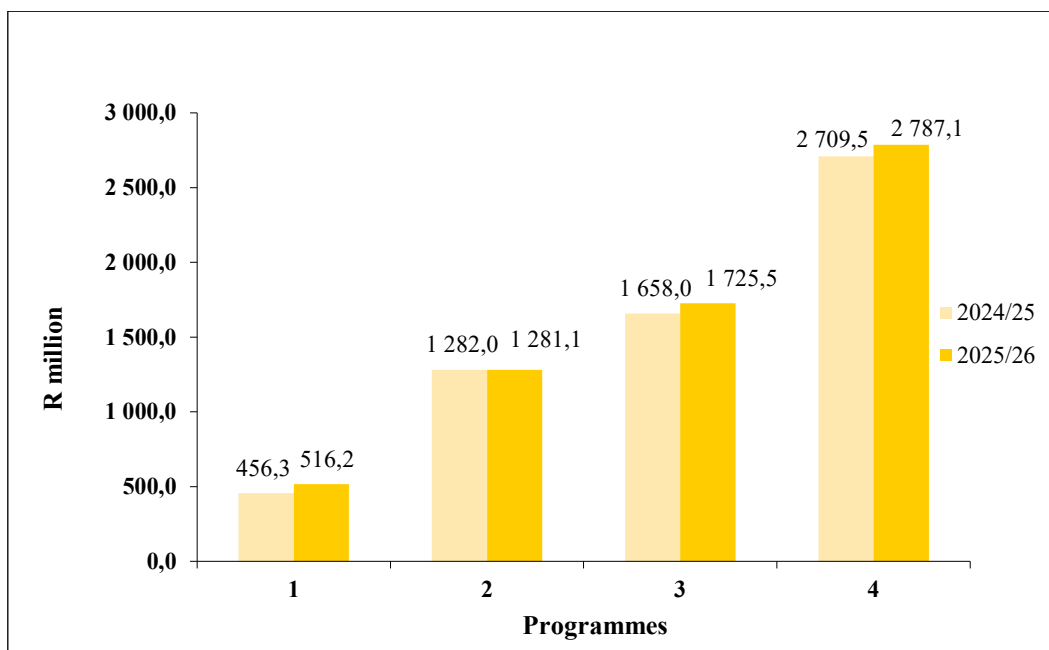


Figure 2: Change in budget allocations (nominal amounts) per programme between 2024/25 and 2025/26

When inflation is considered, the changes in allocations differ in real terms compared to nominal changes. The table below provides a summary of the budget allocation per programme and reflects the change in allocation between the 2024/25 and 2025/26 financial years and reflects nominal and real changes.

Table 4: Budget allocation per programme showing change in allocation 2024/25-2025/26

Programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26	2024/25 – 2025/26	2024/25 – 2025/26	2024/25 – 2025/26
R million						
Programme 1	456,3	516,2	59,9	36,7	13,1%	8,1%
Programme 2	1 282,0	1 281,1	-0,9	-58,4	-0,1%	-4,6%
Programme 3	1 658,0	1 725,5	67,5	-10,0	4,1%	-0,6%
Programme 4	2 709,5	2 787,1	77,6	-47,5	2,9%	-1,8%
Total	6 105,7	6 309,9	204,1	-79,2	3,3%	-1,3%

Source: National Treasury. (2025). *Estimates of National Expenditure*, own calculations.

Inflation adjusted figures, i.e. real change, show that only Programme 1 shows an increase in allocation between the 2024/25 and 2025/26 financial years, with an additional R36.7 million (8.1%). The allocations for all other programmes decrease when the inflation rate is applied.

Expenditure by economic classification

A high-level overview of expenditure per economic classification is provided in the table below.

Table 5: Expenditure by economic classification showing change in allocation 2024/25-2025/26 and budget allocation for the outer years of the MTEF

Economic classification	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change	Budget	
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26		2026/27	2027/28
R million								
Current payments	978,3	1 060,2	81,9	34,3	8,4%	3,5%	1 092,2	1 142,9
Compensation of employees	412,5	434,4	21,9	2,4	5,3%	0,6%	454,6	475,1
Goods and services	565,9	625,8	59,9	31,8	10,6%	5,6%	637,5	667,8
Transfers and subsidies	4 903,9	5 082,6	178,7	-49,5	3,6%	-1,0%	5 077,1	5 295,7
Payments for capital assets	223,5	167,1	-56,4	-63,9	-25,2%	-28,6%	65,6	76,4
Payments for financial assets	-	-	-	-	-	-	-	-
Total	6 105,7	6 309,9	204,2	-79,1	3,3%	-1,3%	6 234,8	6 516,8

Source: National Treasury. / (2025). *Estimates of National Expenditure*, own calculations.

Compensation of employees increases from R978.3 million in 2024/25 to R1.06 billion in 2025/26. This represents a nominal increase of R81.9 million (8.4%). The budget grows to R454.6 million in 2026/27, and further to R475.1 million in 2027/28.

Goods and services sees an increase from R565.9 million in 2024/25 to R625.8 million in 2025/26, representing a nominal increase of R59.9 million (10.6%). The budget increases to R637.5 million in 2026/27, and then to R667.8 million in 2027/28.

The allocation for Transfers and subsidies increases from R4.90 billion in 2024/25 to R5.08 billion in 2025/25. This represents a nominal increase of R178.7 million (3.6%). For the outer years of the MTEF, the allocation decreases slightly in 2026/27 to R5.08 billion – a nominal decrease of R5.5 million and then increases to R5.29 billion in 2027/28.

Payments for Capital Assets decreases from R223.5 million in 2024/25 to R167.1 million in 2025/26. The allocation thus decreases by R56.4 million (25.2%). The allocation decreases further to R65.6 million in 2026/27 and then increases to R76.4 million in 2027/28.

Gender Responsive Budgeting

During the 2024 budget process, National Treasury launched the gender expenditure tagging pilot which focuses on the Women Economic Empowerment gap as a start to reflect Government's commitment to advance gender equality. This is the first step to having a gender responsive budget by identifying existing measures. Within available resources, departments have identified initiatives for their impacts on economic empowerment of women. The Department is one of the five pilot departments tagged during the 2025 MTEF.¹² National Treasury in its *Gender Budget Statement* provides a summary of submissions from pilot departments which details initiatives or interventions supporting women's economic empowerment.¹³ These initiatives or interventions for the Department are detailed in the table below.

¹² The other departments include the Departments of Higher Education and Training; Employment and Labour; Trade, Industry and Competition; and Women, Youth and Persons with Disabilities.

¹³ National Treasury. (2025a). *Gender Budget Statement* [Internet]. Available from: <https://www.treasury.gov.za/documents/National%20Budget/2025May/review/Gender%20Budget%20Statement.pdf> [Accessed 12 June 2025].

Table 6: Department of Sport, Arts and Culture budget interventions: activities advancing women’s economic empowerment

Programme	Interventions/Initiatives supporting women’s economic empowerment	R’000 2025/26	R’000 2026/27	R’000 2027/28
2: Recreation Development and Sport Promotion	Mass Participation and Sport Development Grant: Women boxing support provided	2 700	2 700	2 700
	Sport federations various women’s sports programmes, including rugby, netball, football, and cricket, focus on developing young female athletes through talent identification, training, competition	19 000	19 000	19 000
3: Arts and Culture Promotion and Development	Women in Cultural & Creative Industries: This initiative encourages active participation and inclusion of ordinary women in the socio-economic development through cultural and creative arts programme platforms	3 500	3 500	3 500
	Sisters Working in Film & Television (SWIFT) is a non-profit championing empowerment and access to equal opportunities for women	639	673	703
	Woman writers programme: Projects that promote and support the work done by women writers	2 100	2 100	2 100
	Total	27 939	27 973	28 003

Source: National Treasury. (2025a). *Gender Budget Statement*.

Except for the Woman writers programme, the budgetary allocation for none of the other initiatives or interventions increase over the medium term. This raises questions about the approach and implementation of Gender Responsive Budgeting (GRB). As the Parliamentary Budget Office (PBO) pointed out, “Greater work is needed to understand how GRB can be implemented in the South African context to bring about meaningful change. Without some of these considerations, GRB could become a performative tool rather than a transformative tool”.¹⁴

The Department’s Strategic Plan for the period 2025 – 2030 identifies a more detailed range of initiatives targeting women in its functional areas. These include, but are not limited to:

- targeted recruitment;

¹⁴ Parliamentary Budget Office. (2025). *Considerations for Gender Responsive Budgeting in South Africa: Working Paper*. Cape Town, Parliament of the Republic of South Africa [Internet]. Available from: https://www.parliament.gov.za/storage/app/media/PBO/Occasional_Papers/2025/01-04-2025/PBO_Gender_Responsive_Budgeting_March_2025.pdf [Accessed 10 June 2025].

- safeguarding workshops hosted during school sport national championships and departmental strategic meetings;
- the G-Sport Awards focus exclusively on women's excellence;
- the indication of the inclusion of women appointed during planning and construction of infrastructure facilities by municipalities and public entities;
- opportunities for universities to support women students through the language bursary programme; and
- in partnership with the Oral History Association of South Africa, develop a coffee table publication that address issues affecting women.¹⁵

General considerations

The following points are for noting when considering the budget over the medium term:

- For the 2025/26 financial year, national departments collectively receive R916.1 billion. The Department's allocation of R6.31 billion thus equates to 0.7% of the total funds available for national departments.
- Annual budget allocations fluctuate across the MTEF with the allocation projected to decrease from R6.31 billion in 2024/25 to R6.23 billion in 2026/27 and then increase to R6.52 billion in 2027/28. Total expenditure is therefore expected to increase nominally at an average annual rate of 2.2%.
- When the projected inflation rates (2025/26: 4.7%; 2026/27: 4.5%; and 2027/28: 4.4%) are taken into consideration, the cumulative growth rate between 2024/25 and 2027/28 is -2.2%. Thus, in real terms, the budget allocations decrease to R5.70 billion in 2026/27 and increase slightly to R5.71 billion in 2027/28 (see Figure 1).
- The Department's total budget over the medium term is R19.06 billion. Cabinet has approved increases to the Department's baseline of R350 million in 2025/26 for the creative industries stimulus, a programme of the presidential employment initiative (known as the Presidential Employment Stimulus Programme, or PESP); R3.8 million in 2025/26, R4 million in 2026/27 and R4.2 million in 2027/28 to cover cost-of-living adjustments for public servants; and R6.5 million in 2025/26, R7 million in 2026/27 and R7.4 million in 2027/28 to cover cost-of-living adjustments for personnel paid from the community library services grant and the mass participation and sport development grant.

¹⁵ Department of Sport, Arts and Culture. (2025). *Strategic Plan 2025/2030*. Pretoria, Department of Sport, Arts and Culture, pp.48-49.

- R36 million in 2025/26 is reprioritised to cover costs related to South Africa’s G20 presidency, including hosting three (3) cultural working group meetings, the ministerial meeting and the Group of Twenty (G20) summit cultural performance.
- Transfers and subsidies account for an estimated 81.1% (R15.46 billion) of the Department’s spending over the medium term. In 2025/26, Transfers and subsidies increases nominally by R178.7 million, from R4.90 billion in 2024/25 to R5.08 billion and represents 80.5% of the budget allocation. This remains unchanged from the previous financial year.
- The Department has identified specific budget interventions amounting to R27.9 million which will fund activities to advance women’s economic empowerment. These budget interventions however remain relatively unchanged across the MTEF.

The report now considers budgetary allocations per programme.

3.1. Budgetary allocations per programme

Programme 1: Administration

Purpose: Provide strategic leadership, management and support services to the Department.

This programme plays an important role in giving effect to the first priority of the NDP, that is, building a capable, ethical and developmental state. This priority is also expressed in the MTDF for the five-year term 2020-2025, as a crucial mode that is required to achieve Vision 2030.

In the APP the Department states:

“The outputs delivered in Programme One contribute predominately to DSAC Outcome 3: Transformed, capable and professional sport, recreation, arts, culture and heritage sector; and to DSAC Outcome 5: Compliant and responsive governance nationally and internationally.

Towards achieving compliant and responsive governance the Department capacitates human resources through the internship programme, whilst service delivery is enhanced by timeously paying invoices, and by modernising manual IT

services. By increasing awareness of the sport, recreation art, culture and heritage offerings and opportunities the Department is contributing towards a transformed, capable, and professional sector.

The Department has an approved Employment Equity (EE) Plan which is being monitored to ensure compliance with the national targets, and targeted recruitment is applied to address the underrepresentation of targeted groups in certain posts.”¹⁶

Table 7: Programme 1 Budget Allocation 2024/25 – 2025/26

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1: Ministry	4,6	5,5	0,9	0,7	19,6%	14,2%
2: Management	70,3	67,6	-2,7	-5,7	-3,8%	-8,2%
3: Strategic Management and Planning	18,6	19,5	0,9	0,0	4,8%	0,1%
4: Corporate Services	163,8	168,6	4,8	-2,8	2,9%	-1,7%
5: Office of the Chief Financial Officer	67,2	71,6	4,4	1,2	6,5%	1,8%
6: Office Accommodation	131,8	183,3	51,5	43,3	39,1%	32,8%
Total	456,3	516,2	59,9	36,7	13,1%	8,0%

Source: National Treasury. (2025). *Estimates of National Expenditure*, own calculations.

For the 2025/26 financial year, the budget allocation for this programme is R516.2 million, or 8.2% of the total budget allocation. Compared to the previous financial year, this represents a nominal increase of R59.9 million, or 36.7%. When considering the projected inflation rate of 4.7%, the allocation increases by R36.7 million, or 8.0%. The budget allocated to Programme 1 shows a cumulative growth rate of 4.1% over the MTEF but decreases by 0.4% when the allocations are adjusted for the projected inflation rates over the medium term. Should inflation rates remain unchanged, the Department will have less buying power over the medium term.

¹⁶ Department of Sport, Arts and Culture. (2025a). *Annual Performance Plan 2025/2026*. Pretoria, Department of Sport, Arts and Culture, pp.97-98.

The number of output indicators for Programme 1 is reduced from six (6) in 2024/25 to two (2) in 2025/26. These indicators relate to the number of systems developed to automate manual functions and the percentage of valid invoices paid within 30 days. There are no indicators that relate to the internship programme; the Department's offerings and opportunities, or targets that speak to the implementation of its EE Plan. Further, the Department's APP no longer contains an indicator that speaks to the governance of the public entities that report to it. Previously, the APP included an output indicator that measured the percentage of councils/boards that are fully constituted. This output indicator is not included in the 2025/26 APP.

At its presentation to the Committee, the Department noted that while some performance indicators no longer reflect in the table that details outcomes, outputs and performance indicators and targets¹⁷, these are monitored through the Operational Plans.

Programme 2: Recreation Development and Sport Promotion

Purpose: Support the provision of mass participation opportunities, the development of elite athletes, and the regulation and maintenance of facilities.

The outputs of Programme 2 are key to advancing the DSAC strategic outcomes, primarily focusing on fostering a diverse and cohesive society, developing a transformed and capable sport sector, and enhancing access to recreational and cultural infrastructure. Through strategic financial support, DSAC empowers community organisations to lead sustainable initiatives in organised community sport and recreation, promoting accessible, locally driven opportunities for participation.

The objectives of Programme 2 will ensure, amongst others:

- the construction of 100 community outdoor gyms (target increased by 90 from 10 in 2024/25); and
- assistance is provided to 52 municipalities over the medium term to comply with facility norms and standards by providing technical and/or management support

¹⁷ Department of Sport, Arts and Culture. (2025c). *DSAC 2025/26 Annual Performance Plan; 2025-2030 Strategic Plan*. Presentation to the Portfolio Committee on Sport, Arts and Culture, 24 June 2025 [Internet]. Available from: <https://pmg.org.za/committee-meeting/41059/> [Accessed 24 June 2025].

during the construction phase of sport and recreation facilities (target remains unchanged).

National Treasury's selected performance indicators for the 2025/26 financial year include:

- 126 community-based sport and recreation activities supported (target increased by 36 from 90 in 2024/25 when it was first introduced);
- 3 500 hubs, clubs or schools provided with equipment and/or attire to enable participation in sport and/or recreation (target unchanged from 2024/25);
- All (100%) compliant sport and recreation bodies supported (new performance indicator).

The performance indicator that deals with monitoring reports compiled on the heritage facilities developed and/or maintained, introduced as a new performance indicator in 2024/25, does not find expression in the 2025/26 APP.

Table 8: Programme 2 Budget Allocation 2024/25 – 2025/26

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26	2024/25 – 2025/26	2024/25 – 2025/26	2024/25 – 2025/26
R million						
1: Wining Nation	258,6	240,7	-17,9	-28,7	-6.9%	-11.1%
2: Active Nation	687,1	712,6	25,5	-6,5	3.7%	-0.9%
3: Infrastructure Support	336,3	327,9	-8,4	-23,1	-2.5%	-6.9%
Total	1 282.0	1 281.1	-0.9	-58.4	-0.1%	-4.6%

Source: National Treasury. (2025). *Estimates of National Expenditure*, own calculations.

For the 2025/26 financial year, the budget allocation for Programme 2 is R1.28 billion, or 20.3% of the total budget allocation. When compared to 2024/25, this programme's budget allocation has decreased by R900 000, or 0.1% in nominal terms. Over the medium term, the estimated cumulative growth rate for Programme 2 is 3.4% in nominal terms, but in fact decreases by 1.1% when considering the impact of inflation.

Sub-programme 2: Active Nation receives the highest portion of the programme budget, i.e. R712.6 million (55.6%). This is also the sub-programme with the highest increase in allocation from R687.1 million in 2024/25 to R712.6 in 2025/26. This represents a nominal increase of R25.5 million (3.7%) and a real decrease of R6.5 million (0.9%).

The budget allocations for both sub-programme 1 and 3 have decreased. Sub-programme 1: Winning Nation receives the smallest allocation of R240.7 million (18.8% of the total budget) and sees a nominal decrease of R17.9 million (6.9%), with a real decrease of R28.7 million (11.1%). Sub-programme 2: Infrastructure Support has been allocated R327.9 million, or 25.6% of the total programme allocation. The allocation for this sub-programme sees a nominal reduction of R8.4 million (2.5%), with a real decrease of R23.1 million (6.9%).

Conditional Grant: Mass Participation and Sport Development Grant

The Department administers the Mass Participation and Sport Development Grant (“Mass Participation Grant”), which is a Conditional Grant that is transferred to provinces to assist the sport sector in implementing the National Sport and Recreation Plan (NSRP) objectives. The purpose of the Mass Participation Grant is to facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders. The outcomes, as outlined in the Division of Revenue Bill [B15–2025], include increased and sustained mass participation in sport and active recreation as well as improved sector capacity to deliver sport and active recreation, with greater emphasis on provincial and district academies. The grant has been allocated R627 million in 2025/26, R656 million in 2026/27, and R686 million in 2027/28 and contributes primarily to Government Priority 6: Social Cohesion and Safe Communities.¹⁸

For information purposes, the table below provides an overview of allocations transferred to provinces.

Table 9: Conditional Grant: Mass Participation and Sport Development Grant allocations to provinces showing change in allocations 2024/25 – 2025/26

Province	2024/25 R'000	2025/26 R'000	Forward estimates	
			2026/27 R'000	2027/28 R'000
Eastern Cape	76 624	75 137	81 400	85 227
Free State	44 243	48 583	46 164	47 794
Gauteng	111 291	120 256	119 392	125 710
KwaZulu-Natal	106 579	114 343	112 678	118 642
Limpopo	70 488	68 893	75 705	79 176

¹⁸ Division of Revenue Bill [B15–2025].

Mpumalanga	56 060	53 667	59 499	61 962
Northern Cape	36 705	34 079	37 856	38 657
North West	50 978	49 129	54 291	56 428
Western Cape	65 494	63 058	69 020	72 075
Total	618 462	627 244	656 005	685 671

Source: Division of Revenue Act (Act No. 24 of 2024); Division of Revenue Bill [B 15—2025].

The provincial allocation must be utilised as set out below. However, based on their provincial dynamics, provinces may apply to the transferring officer, i.e. the Department, to change these suballocations:

- school sport: 40%
- community sport and active recreation: 39%
- sport academies: 9%
- transversal matters (provincial programmes and activities implemented by provincial confederations): 4%
- management: 8%

While the Department will evaluate the performance for 2024/25 by the end of July 2025 for submission to National Treasury, the following is an outline of service delivery performance for 2023/24:

- 458 396 people actively participated in organised sport and active recreation events;
- 171 026 learners participated in school sport tournaments at district level;
- 4 421 schools, hubs and clubs were provided with equipment and/ or attire;
- 5 260 athletes were supported by the sport academy; and
- 50 sport academies were supported.

The grant continues until 2027/28, subject to review.

Programme 3: Arts and Culture Promotion and Development

Purpose: Promote and develop arts culture and languages and implement the national social cohesion strategy.

Programme 3 is key to advancing the Department's main outcomes, including economic transformation, social cohesion, national identity, and accessibility to cultural and recreational infrastructure. The core budget allocation is focused on expanding South Africa's cultural and

creative industries, which is central to the Government's strategy to promote the arts and culture sector as a driver of economic growth and social development. The MGE strategy is central to this and through its programmes and activities focus on job creation, economic transformation, and inclusivity. The Department aims to create 10 000 job opportunities in 2025/26 through financially supporting 27 projects that facilitate local and international market access, empowering artists and creative practitioners to expand their reach. Additionally, 17 cultural and creative industry sector organisations will receive funding to strengthen intellectual property rights management, ensuring artists retain ownership and derive economic benefit from their work.

The outputs delivered in Programme 3, while contributing to all departmental outcomes, contributes predominantly to four departmental outcomes, including Outcome 1: A diverse, socially cohesive society with a common national identity; Outcome 2: Increased economic impact of sport, recreation, arts, culture, and heritage sector; Outcome 3: Transformed, capable and professional sport, recreation, arts, culture and heritage sector; Outcome 4: Accessible sport, recreation, arts, culture and heritage infrastructure and information.

These outputs will ensure, *inter alia*:¹⁹

- enhanced human resource capacity and promoting excellence in the arts and culture sector by awarding language bursaries; supporting capacity building programmes, including community art centre development programmes, incubators, academies and innovation hubs; and collaborating with the Department of Basic Education (DBE) to implement school-based arts education programmes;
- financial support to projects to facilitate local and international market access;
- integrated, outcomes-based research, planning, monitoring and evaluation across the sector based on reports produced by the South African Cultural Observatory (SACO); and
- the advancement of social cohesion and nation building efforts by commemorating national days, hosting community conversations, organising advocacy platforms and supporting Moral Regeneration Movement projects.

National Treasury's selected performance indicators for the 2025/26 financial year include:

¹⁹ National Treasury. (2025). *Estimates of National Expenditure*, p.799.

- support 140 university students to study languages (target unchanged from 2024/25); and
- support 34 projects to enable local and international market access (target increased by 19 projects from 2024/25);

A key performance indicator within the MGE strategy, the Artists in Schools programme, is not included in the 2025/26 APP or budget and does not find expression in the planning for the medium term. In the last financial year, 340 artists were placed in schools to provide arts education in a range of arts including visual arts, performance, and dance. While the programme forms part of the Department's MoU with DBE, it is not allocated any budget. In the APP it is however listed as a departmental initiative targeting youth.²⁰

Table 10: Programme 3 Budget Allocation 2024/25 – 2025/26

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1: National Language Services	58,6	65,0	6,4	3,5	10,9%	5,9%
2: Pan South African Language Board	127,4	133,5	6,1	0,1	4,8%	0,1%
3: Cultural and Creative Industries Development	145,9	133,0	-12,9	-18,9	-8,8%	-12,9%
4: International Cooperation	39,0	71,1	32,1	28,9	82,3%	74,1%
5: Social Cohesion and Nation Building	59,5	58,9	-0,6	-3,2	-1,0%	-5,4%
6: Mzansi Golden Economy	578,1	625,9	47,8	19,7	8,3%	3,4%
7: Performing Arts Institutions	344,0	358,1	14,1	-2,0	4,1%	-0,6%
8: National Film and Video Foundation	178,4	153,7	-24,7	-31,6	-13,8%	-17,7%
9: National Arts Council	127,2	126,3	-0,9	-6,6	-0,7%	-5,2%
Total	1 658,0	1 725,5	67,5	-10,0	4,1%	-0,6%

Source: National Treasury. (2025). *Estimates of National Expenditure*, own calculations.

For the 2025/26 financial year, the budget allocation for this programme is R1.72 billion, or 27.3% of the total budget allocation. Compared to the 2024/25 financial year, in which the budget allocation was R1.66 billion, this represents a nominal increase of R67.5 million (4.1%). Over the medium term, the estimated allocation will decrease by 3.8%, and when considering the projected inflation rates, it will decrease by 7.9%.

²⁰ DSAC. (2025a). *Annual Performance Plan 2025/26*, p.64.

The highest allocation within Programme 3 is to sub-programme 6: Mzansi Golden Economy (MGE) which receives R625.9 million (36.2%) of the total budget for the programme. This is a nominal increase of R47.8 million (8.3%) from the R578.1 million allocated in the last financial year. Allocations to the sub-programme are set to decrease at an average annual rate of 19.5 per cent, from R578.1 million in 2024/25 to R301.5 million in 2027/28, as a result of allocations in 2024/25 and 2025/26 for the presidential employment initiative. A significant portion of the sub-programme's total allocation of R1.2 billion over the medium term will be channelled into creating 10 000 job opportunities in the cultural and creative industries sector by March 2026 through Mzansi golden economy workstreams and cultural development programmes.²¹

The lowest allocation in the programme is directed towards sub-programme 5: Social Cohesion and Nation Building, which receives R58.9 million (3.4%) of the total programme budget. The allocation has decreased slightly from R59.5 million in the 2024/25 financial year. Sub-programme 4: International Cooperation shows the highest change in allocation. The allocation for this sub-programme increases from R39.0 million in 2024/25 to R71.1 million in 2025/26. This represents a nominal increase of R32.1 million (82.3%).

The economic classification Transfers and subsidies amounts to R1.44 billion, or (83.7%) of the total programme budget. An amount of R1.16 billion (or 67% of the total programme budget) within this economic classification is directed towards departmental agencies and accounts, which includes all performing arts institutions reporting to the Department; the National Arts Council (NAC); the National Film and Video Foundation (NFVF); the Pan South African Language Board (PanSALB); and the MGE programmes.

The PESP, implemented by the NAC and NFVF for the Department, was launched in October 2020 to mitigate the economic impact of the COVID-19 pandemic. Cabinet has approved a baseline increase of R117 million in 2025/26 for NAC while the NFVF sees a baseline increase of R230 million for the creative industries stimulus.²²

Programme 4: Heritage Promotion and Preservation

²¹ National Treasury. (2025). *Estimates of National Expenditure*, p.787.

²² National Treasury. (2025). *Estimates of National Expenditure*.

Purpose: Preserve and promote South African heritage, including archival and heraldic heritage. Oversee and transfer funds to libraries.

Programme Four plays a critical role in advancing DSAC’s strategic outcomes, particularly fostering a diverse and socially cohesive society, transforming and professionalizing the heritage sector, and enhancing access to cultural infrastructure and information. By promoting heritage development, preservation, and protection, this programme ensures that South Africa’s rich history and national identity are celebrated and safeguarded for future generations.

Through its sub-programmes, this Programme will, *inter alia*:

- publish gazette notices on the standardisation of geographical names;
- support tertiary students to study heritage practice at institution of higher learning, and facilitate the placement of unemployed heritage graduates within the sector;
- financially support libraries through the Community Library Services Conditional Grant; and
- analyse a report on the implementation of the National Policy on the Repatriation and Restitution of the Human Remains and Heritage Objects.

National Treasury’s selected performance indicators for the 2025/26 financial year include:

- financially support 22 libraries (up from a target of 20 in 2024/25); and
- award 50 students with heritage bursaries (target increased from 48 in 2024/25).

Table 11: Programme 4 Budget Allocation 2024/25 – 2025/26.

Sub-programme	Budget		Nominal Rand change	Real Rand change	Nominal per cent change	Real per cent change
	2024/25	2025/26	2024/25 – 2025/26		2024/25 – 2025/26	
R million						
1: Heritage Promotion	53,4	52,2	-1,2	-3,5	-2,2	-6,6
2: National Archive Services	69,8	59,8	-10,0	-12,7	-14,3	-18,2
3: Heritage Institutions	657,8	686,7	28,9	-1,9	4,4	-0,3
4: National Library Services	158,1	164,8	6,7	-0,7	4,2	-0,4
5: Public Library Services	1 631,7	1 669,6	37,9	-37,0	2,3	-2,3
6: South African Heritage Resources Agency	60,3	72,0	11,7	8,5	19,4	14,0
7: South African Geographical Names Council	4,2	4,4	0,2	0,0	4,8	0,1
8: National Heritage Council	74,2	77,5	3,3	-0,2	4,4	-0,2
Total	2 709,5	2 787,1	77,6	-47,5	2,9	-1,7

Source: National Treasury. (2025). Estimates of National Expenditure, own calculations.

For the 2025/26 financial year, the budget allocation for this programme is R2.78 billion, or 44.2% of the total budget allocation. Compared to the 2024/25 financial year, in which the budget allocation was R2.71 billion, this represents a nominal increase of R77.6 million (2.9%). However, when the projected inflation rate of 4.7% is taken into consideration, the allocation decreases by R47.5 million (1.7%). Over the medium term, the estimated allocation will increase by 4.1%, however when adjusting for inflation, the allocation will decrease by 0.4%.

Of the 2025/26 allocation for this programme, R2.68 billion, or 96%, is classified as Transfers and subsidies. Through this programme, the Department funds a significant number of entities including national museums, the National Heritage Council (NHC), the South African Heritage Resources Agency (SAHRA), and public library services.

The highest allocation in Programme 4 is to sub-programme 5: Public Library Services which receives R1.67 billion (59.9%) of the total budget for the programme and presents a nominal increase of R37.9 million (2.3%) from the R1.63 billion allocated in the last financial year. This sub-programme transfers funds to provincial departments, through the Community Library Services Grant (CLSG) for constructing and upgrading libraries, hiring personnel and purchasing library materials. The CLSG is outlined later in this section of the report.

The lowest allocation in the programme is directed towards sub-programme 7: South African Geographical Names Council, which receives R4.4 million (0.2%) of the total programme budget. The allocation increases slightly from R4.2 million in 2024/25. This sub-programme transfers funds to the South African Geographical Names Council, an advisory body that facilitates name changes by consulting with communities to advise the Minister of Sport, Arts and Culture.

The highest percentage nominal increase in allocation is seen in sub-programme 6: South African Heritage Resources Agency which transfers funds to the entity of the same name to develop and implement norms and standards for managing heritage resources. This sub-programme sees an increase from R60.3 million in 2024/25 to R72.0 million in 2024/25, representing a nominal increase of R11.7 million, or 19.4%. Sub-programme 2:

National Archives Services sees the biggest nominal decrease in budget allocation in the programme. The allocation for this sub-programme decreases from R69.8 million in 2024/25 to R59.8 million in 2025/26. This represents a decrease of R10.0 million, or 14.3%. The purpose of this sub-programme is to acquire, preserve and manage records with enduring value, and make them accessible.

Conditional Grant: Community Library Services Grant

The main purpose of the CLSG is to transform urban and rural library infrastructure and services through targeting previously disadvantaged communities through a recapitalised programme at provincial level in support of local government and national initiatives.

In respect of the CLSG, this grant is allocated to the relevant provincial department and administered by that department or through a service-level agreement with municipalities. In collaboration with provincial departments of education, the grant also funds libraries that serve both schools and the public. Funds from this grant may also be used to enable the shift of the libraries function between provinces and municipalities. The CLSG, which primarily contributes to Government Priority 6: Social Cohesion and Safe Communities, has been allocated R5.2 billion over the medium term. This grant is comprised of capital and current components. To expand access to knowledge and information, the Department plans to complete building 54 libraries over the next three years at an estimated cost of R584.6 million.

Table 12: Conditional Grant: Community Library Services Grant allocations to provinces showing change in allocations 2024/25 – 2025/26

Province	2024/25 R'000	2025/26 R'000	Forward estimates	
			2026/27 R'000	2027/28 R'000
Eastern Cape	182 156	187 261	195 804	204 873
Free State	183 043	188 126	200 757	208 061
Gauteng	179 454	184 727	191 054	200 098
KwaZulu-Natal	195 617	197 862	207 346	216 161
Limpopo	157 664	161 431	168 876	176 870
Mpumalanga	174 793	179 385	187 199	196 060
Northern Cape	182 629	187 737	194 398	203 400
North West	155 383	160 181	167 940	176 850
Western Cape	201 168	202 279	211 316	220 319
Total	1 611 907	1 648 989	1 724 690	1 802 692

Source: Division of Revenue Act (Act No. 24 of 2024); Division of Revenue Bill [B 15–2025].

The conditional grants review process also recommended incorporating the community library services grant into the provincial equitable share. According to National Treasury, work on this integration is already under way in some of the provinces. The incorporation of the grant into the provincial equitable share, starting with the Compensation of Employees component at the end of the 2025/26 financial year, will be undertaken in a phased approach.

As per the Department's presentation to the Committee, the capital component of the grant is set at R257.2 million for 2025/26, but it decreases to R179.7 million in 2026/27 and is completely discontinued by 2027/28. This suggests a shift in funding priorities, likely focusing on operational support rather than new infrastructure investments. The current component, which supports ongoing operations, shows a notable increase over the three years. An amount of R1.39 billion is allocated for 2025/26, this rises to R1.54 billion in 2026/27 and jumps significantly to R1.80 billion in 2027/28. The Department further noted that the grant is being phased out in the outer years, and the funds will be reprioritised to provincial equitable shares and highlighted the need for careful planning to ensure continuity of service delivery with these adjustments.²³

By the end of the 2025/26 financial year, the Department plans to finance 22 newly built and/or modular libraries. A budget of R1.39 billion (current) and R257.2 million (capital) is directed towards provincial revenue funds for the implementation of this project. The outputs, as outlined in the Division of Revenue Bill [B 15—2025] for the CLSG for the 2025/26 financial year includes, among others:²⁴

- 40 maintained library structures completed;
- 270 000 library materials purchased;
- new services established for the visually impaired at five identified community libraries in all provinces
- five upgraded library structures completed;
- 2 700 existing contract library staff maintained in all provinces; and

²³ Department of Sport, Arts and Culture. (2025c). *DSAC 2025/26 Annual Performance Plan; 2025-2030 Strategic Plan*. Presentation to the Portfolio Committee on Sport, Arts and Culture, 24 June 2025 [Internet]. Available from: <https://pmg.org.za/committee-meeting/41059/> [Accessed 24 June 2025].

²⁴ Division of Revenue Bill [B 15—2025], pp. 194-196.

- 35 new staff appointed at public libraries to support the shifting of the function to provinces.

4. Committee Observations on National Department of Sport, Arts and Culture

The Committee, having considered and deliberated on the Annual Performance Plans 2025/26 of the Department of Sport, Arts, and Culture made the following key observations and findings:

- The committee raised concerns around the Saartjie Baartman Centre, a project initiated in 2012 with a planned budget of R247 million. Thirteen years later, nearly R100 million more than budgeted had been spent, yet the project was still incomplete. The committee further expressed doubt about any remaining hope for its successful completion and what corrective measures were being taken. A similar concern was also raised about the Enyokeni Project.
- The committee enquired about the Department's intention to host Formula One, questioning how this would be funded and whether a proper planning framework was in place.
- The committee raised concerns over the Minister's announcement to send 350 athletes to the 2028 Olympics, asking whether any funds had already been allocated in the current financial year for that purpose, and if so, how much. The importance of having both budget and programmatic support in place was emphasised to avoid making unfulfilled promises.
- The committee raised concerns about reallocating sport promotion funds to heritage infrastructure projects, calling it problematic since the funds were not serving their intended purpose.
- The committee enquired about the R5 million given to SAFA in December as a lifeline to help with unpaid salaries. Despite the bailout, SAFA was still struggling. It was argued that the issue was less about funding and more about governance failures within SAFA, questioning whether the department planned to continue financially bailing out the organisation without addressing structural problems.
- There was an enquiry over municipal failure to complete MIG projects for sports infrastructure. For instance, in Mokopane, the DSAC had allocated funds to the

municipality to construct a stadium. However, despite spending the full budget, the stadium was effectively non-existent.

- There were concerns over the Ministers response to a crisis involving a prominent but struggling figure in the film industry. The committee wanted to know when does the minister differentiate personal vs. Departmental support to artists.
- The committee was concerned that the presentation of the Department did not mention any measures or mechanisms for strengthening oversight over irregular expenditure within the Department
- The committee raised concerns over the conditional grants, pointing out that a significant portion of these funds is allocated to sports infrastructure at the local level, yet the Department is conducting minimal oversight over the expenditure of the funds by municipalities. The committee then enquired what the Department was doing in terms of overseeing these conditional grants, especially those for sports, arts, and culture centres on the ground.
- where DSAC spoke about work opportunities created through the creative sector stimulus, the DSAC aimed to create 10,000 job opportunities through financial support in 27 projects that facilitate local and international market access, intending to empower artists and creative practitioners to expand their reach. The committee enquired as to how this will be accomplished.
- There were questions raised about the Mzansi Golden Economy as to the slow processing of funds and support to artists.
- The committee showed concerns that the department had no visible programmes in place for children during school holidays. It was noted that children are often be seen roaming the streets with nothing to do during this time instead of playing sport.
- The committee requested the Department to provide a list of provinces, detailing which entities or organisations received funding and how the money was being spent. There was an emphasis on the funding information in the Western Cape, and which organisations had been financially assisted.
- Lastly, there were concerns over issues of nepotism within the Department. The committee pointed out cases where a husband and wife worked within the Department, and even cases where an employee's spouse became a service provider for Departmental programmes.

6. Committee recommendations

The Committee, having considered Budget Vote 37: Sport, Arts, and Culture together with the Annual Performance Plan of the Department of Sport, Arts, and Culture recommends the following:

- The Department should strengthen its monitoring of sports infrastructure projects in municipalities.
- The Department should provide the Committee with its plan to improve oversight and monitoring of public entities.
- The Department should ensure that all ongoing investigations are concluded, finalised and reported on as a matter of urgency.
- The Department should provide quarterly reports on the filling of vacancies for key positions within the Department and the entities reporting to it. This should form part of the Department's report on quarterly performance. The Committee further requests that the Department promptly send official communication when it affects changes in leadership at the public entities reporting to it.
- The Department should provide the Committee with a breakdown of staffing costs within the Ministry as well as an indication of the number of permanent and contract positions.
- The Department should submit its funding model to the Committee.
- Where federations are complaint, the Department should ensure that allocations are timeously transferred to entities. The Department should also exercise oversight into these transferred funds and provide the Committee with assurance that the funds are used for their intended purposes and that there is value for money.
- The Committee requests that the decision to halt the Artists in Schools programme be reviewed and that an appropriate budget allocation is set aside for the implementation thereof.
- Going forward, the Department should ensure that the MGE appeals committee is sufficiently budgeted for and constituted to facilitate the MGE appeals process.
- The Department should consider exploring ways to reduce the burden of governance as this reduces funding available for service delivery within the entities.

- The Minister and the Department should halt the process of reconstituting the SAIDS board until the Committee can schedule a meeting to consider the motives for dissolving the board.
- The Department should consider revising the 2025/26 APP to include quantifiable performance indicators that seek to address the inclusion of marginalised groups.
- The Committee requests that the Department, in its forward planning, ensures that the budget allocation towards the identified initiatives are increased and that Gender Responsive Budgeting does not merely become a matter of compliance.
- The Department should ensure that any challenges that may arise relating to the implementation of this national policy are dealt with swiftly and further requests that any reports emanating from this project are shared with the Committee as soon as these become available. This recommendation stands for the duration of the implementation of this project.
- The Department should consider working with the Basic Education Department to ensure that minor athletes who show potential are developed holistically. Additionally, the Department needs to outline to the Committee how its budget addresses grassroots sports development to realise Project 350.
- The committee is to follow up on reasons why the Urban Settlements Development Grant (USDG) does not have a set percentage of funds for sports infrastructure in metropolitan municipalities.

5. CONCLUSION

The Select Committee on Education, Sciences and Creative Industries acknowledges the significance of its constitutional mandate of exercising oversight over the executive. This will ensure that in its implementation of the prevailing Strategic Plan, Annual Performance Plan, and budget allocation, the Department of Sport, Arts and Culture's outputs are successfully attained with maximum impact. The Committee will continue to engage in meaningful oversight during the 7th Parliament.

Having satisfied itself in its engagement with the Department on the Annual Performance Plan and the Budget, the Select Committee on Education, Sciences and Creative Industries recommends that the House approves Budget Vote 37.

Report to be considered.

ABBREVIATIONS AND ACRONYMS

ACH	Arts, Culture and Heritage
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CCI	Cultural and Creative Industries
DBE	Department of Basic Education
DoRA	Division of Revenue Act
DPWI	Department of Public Works and Infrastructure
DSAC	Department of Sport, Arts and Culture
ENE	Estimates of National Expenditure
ERRP	Economic Reconstruction and Recovery Programme
GBVF	Gender-Based Violence and Femicide
GNU	Government of National Unity
GRB	Gender Responsive Budgeting
MGE	Mzansi Golden Economy
MIG	Municipal Infrastructure Grant
MoU	Memorandum of Understanding
MTDP	Medium Term Development Plan
MTEF	Medium Term Expenditure Framework
NA	National Assembly
NAC	National Arts Council
NDP	National Development Plan: Vision 2030
NFVF	National Film and Video Foundation
NFVF	National Film and Video Foundation
NHC	National Heritage Council
NSRP	National Sport and Recreation Plan
NT	National Treasury
PanSALB	Pan South African Language Board
PBO	Parliamentary Budget Office
PESP	Presidential Employment Stimulus Programme
PFMA	Public Finance Management Act
RWPACH	Revised White Paper on Arts, Culture and Heritage
SACO	South African Cultural Observatory
SAHRA	South African Heritage Resources Agency
SAIDS	South African Institute for Drug-Free Sport
SONA	State of the Nation Address
WPSR	White Paper on Sport and Recreation