

*Friday, 27 June 2025]*

No 104—2025] SECOND SESSION, SEVENTH PARLIAMENT

**PARLIAMENT**  
**OF THE**  
**REPUBLIC OF SOUTH AFRICA**

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**ANNOUNCEMENTS,  
 TABLINGS AND  
 COMMITTEE REPORTS**

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FRIDAY, 27 JUNE 2025

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## ANNOUNCEMENTS

### National Assembly

#### The Speaker

#### 1. Referral to Committees of papers tabled

- (1) The following paper is referred to the **Standing Committee on Finance** for consideration and report, and **Portfolio Committee on Cooperative Governance and Traditional Affairs** for consideration:
  - (a) Report on the overspending and underspending performance on revenue and expenditure of municipalities as at 30 June 2023.
- (2) The following paper is referred to the **Portfolio Committee on Communications and Digital Technologies** for consideration and report:
  - (a) Updated Annual Performance Plan of the Department of Communications and Digital Technologies for 2025/2026.
- (3) The following paper is referred to the **Joint Committee on Ethics and Members' Interests**:
  - (a) Draft Proclamation 2025 by the President of the Republic: Amendment of the Executive Ethics Code of Proclamation No. 41, published in Government Gazette No. 21399, dated 28 July 2000, in terms of section 2(1) of the Executive Members' Ethics Act, 1998 (Act No. 82 of 1998).

### National Council of Provinces

#### The Chairperson

#### 1. Referral to Committees of papers tabled

- (1) The following papers are referred to the **Select Committee on Agriculture, Land Reform and Mineral Resources** for consideration and report:
  - (a) Strategic Plan of the Department of Agriculture for 2025 – 2030.
  - (b) Annual Performance Plan of the Department of Agriculture for 2025 – 2026.
  - (c) Strategic Plan of the National Agricultural Marketing Council for 2025 – 2030.

- (d) Annual Performance Plan of the National Agricultural Marketing Council for 2025–2026.
  - (e) Revised Strategic Plan of the Agricultural Research Council (ARC) for 2025 – 2030.
  - (f) Revised Annual Performance Plan of the Agricultural Research Council (ARC) for 2025 – 2026.
  - (g) Corporate Plan of the Onderstepoort Biological Products (OBP) for 2025/26 – 2029/30.
  - (h) Annual Performance Plan of the Onderstepoort Biological Products (OBP) for 2025 – 2026.
- (2) The following paper is referred to the **Select Committee on Economic Development and Trade** for consideration and report:
- (a) Updated Annual Performance Plan of the Department of Communications and Digital Technologies for 2025/2026.
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## TABLINGS

### National Assembly and National Council of Provinces

#### 1. The Speaker and the Chairperson

DELEGATION REPORTS ADOPTED BY THE PARLIAMENTARY GROUP ON INTERNATIONAL RELATIONS (PGIR) ON 13 JUNE 2025. (Continuing from ATC No 103, dated 26 June 2025)

- (25) Report of the Courtesy Call to the Speaker of the NA, Ms. Didiza by the Amb of Zimbabwe to SA 5 March 2025

**REPORT OF THE COURTESY CALL TO THE SPEAKER OF THE NATIONAL ASSEMBLY BY THE AMBASSADOR OF ZIMBABWE TO SOUTH AFRICA, HIS EXCELLENCY DD HAMADZIRIPI IN PARLIAMENT CAPE TOWN,5 MARCH 2025**

**Report of the courtesy call to the Speaker of the National Assembly, Ms AT Didiza, MP by the Ambassador of Zimbabwe to South Africa, His Excellency Mr DD Hamadziripi in Parliament Cape Town, 5 March 2025**

**1. Purpose of the courtesy call meeting**

The Speaker welcomed the Ambassador and the accompanying Consul General. She further acknowledged the sound bilateral relations between the two countries and more so the two Parliaments. She expressed the close relations between former Speakers Mbete and Mapisa-Nqakula with former Speakers of Zimbabwe.

In her remarks, she indicated that former Speaker Mapisa-Nqakula would have prioritized visiting Zimbabwe considering the strong relations between the two Parliaments. The role played by Zimbabwe in the SADC-PF, PAP and IPU was acknowledged especially the role of the current Speaker Hon Adv. Mudenda.

Speaker also acknowledged the role former Speaker Mbete played in the SADC-PF and working very closely with the Parliament of Zimbabwe. She also made special mention of the resolution taken on the establishment of the SADC-Parliamentary Forum as a Regional Parliament.

The Speaker mapped out in brief, the primary objectives of the Opening of parliament and the President's tabling of the country's 5-year strategic priorities. On the same wavelength she explained the separation of powers model and informed the ambassador that parliament articulates its own 5-year priorities as outlined in the 7<sup>th</sup> Parliament Strategic Plan.

In his initial remarks, the Ambassador expressed warm greetings from Speaker of Zimbabwe, Hon Adv. Mudenda and he further acknowledged the excellent bilateral relations between the two countries and more so the two Parliaments.

- Excellent relations
- Similarly, Legislatures are very close
- At Parliamentary Forum: SADC-PF, PAP and IPU
- Delegations work closely especially in PAP strong relations to continue
- Delegations at PAP
- Former Liberation Movements: SADC-PF Caucus to engage
- Interested in Legislative Agenda
- GNU and implications for Parliament

The Speaker responded as follows;

- Our Municipalities : Multiparty governance has been in existence : Consultation by DP Mashatile to start a discourse encouraged by our Constitutional provisions. No clear parameters and no threshold for establishment of coalitions.
- 1994 -1994 : Legislated Government of National Unity ended in 1996 after the adoption of New Constitution and National Party became DA and preferred to be an opposition
- 2004 : IFP and AZAPO
- 2009 FF Plus
- President Ramaphosa invited Minister of Good Mme Patricia De Lille

### **3. Outcomes of the meeting**

3.1 Will extend the message for Secretary to Parliament , Mr Xolile George to visit Zimbabwe as Speaker informed the Ambassador that the Secretary to parliament was engaged with On-boarding of new members of the 7<sup>th</sup> Parliament.

3.2 Mutually agreed to strengthen parliament to parliament partnership and to consider establishing a friendship group.

3.3 The ambassador expressed and extended an invitation for Speaker to pay an official visit to Zimbabwe.

3.4 Ambassador extended a wish for the South African Parliament to join Zambia, Botswana in the already established Tri-lateral structure/forum that engages on pertinent issues that directly affect these counties.

The courtesy call was a success and Speaker and the ambassador agreed to engage as and when the opportunity presents itself.

- (26) Report of the Visit by Danish Parliamentary Committee on Climate, Energy and Utilities 5 March 2025



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**Report of the Joint Meeting between the Visiting Danish Parliamentary Committee on Climate, Energy and Utilities and the Portfolio Committee on Forestry, Fisheries and Environment and the Portfolio Committee on Electricity and Energy of the Parliament of the RSA held on Wednesday, 05 March 2025, in Parliament.**

## 1. Purpose of the Report

To report on the Joint Meeting between the Visiting Danish Parliamentary Committee on Climate, Energy and Utilities and the Portfolio Committee on Forestry, Fisheries and Environment and the Portfolio Committee on Electricity and Energy of the Parliament of the RSA held on Wednesday, 05 March 2025, in Parliament.

## 2. Background

The Danish Embassy in Pretoria initiated the meeting.

### **Purpose of the meeting**

The purpose of the meeting was to discuss issues of mutual benefit and learn more on “Just Energy Transition” how would it affect jobs, among others.

**Danish side:** Mr R Langhoff, MP (Social Democratic Party) – the Chairperson and Leader of the Delegation; H.E Ms E Krone – the Ambassador of Denmark in the RSA; Ms D Raapberg, MP (Conservative Party); Mr K Valentin, MP – (Liberal Party); Ms L Stokmarr, MP (Red Green Alliance); Mr S Frolund, MP (Liberal Alliance); Ms L Vermilin, MP (Social Democratic Party); Mr M Fuglede, MP (Danish Democrats); Ms M Reissmann (Social Democrats); Mr M Maehle and Ms M Bradrup (Committee Secretaries); Mr M Van Donk and Mr M Christensen (Energy and Political Advisors, Danish Embassy)

**South African side:** Ms N Mvana, MP – the Chairperson of the PC on Electricity and Energy and Ms N Gantsho, MP the Chairperson of the PC on Forestry, Fisheries and Environment (Co-Chairing the Joint Meeting). Ms F Hassan, MP Ms M Mofokeng, MP, Mr V Nkosi, MP (ANC); Mr KJ Mileham<

MP and Mr EV Baptie, MP (DA); Ms S Mbatha, MP and Crown Prince A Nchabeleng, MP (MKP); Mr N Paulsen, MP (EFF) and Mr WM Thring, MP (ACDP)

### **3. Meeting discussion**

In her opening remarks, Ms Mvana, MP – the Chairperson of the PC on Electricity and Energy extended words of welcome to the delegation. She pointed out that South Africa view Denmark as an important partner. She also highlighted areas for considerable potential for cooperation between the two countries including low carbon emissions, among others. She proceeded by giving an overview of the role and mandate of Parliament of the RSA, focusing mainly on the legislative process, oversight of the Executive, among others. She also touched on South Africa's long-term Energy Plans as outlined in the Integrated Resource Plan and the Energy Action Plan which aims to diversify the energy mix, reduce reliance on coal and achieve energy security by 2050.

In her presentation, Ms N Gantsho, MP - the Chairperson of the PC on Forestry, Fisheries and Environment stated that the Portfolio Committee could be viewed as a link between Parliament and the public. She also mentioned the key stakeholders of the Portfolio Committee on Forestry, Fisheries and Environment. On climate Action, Ms Gantsho, MP informed the delegation about the RSA 's commitment to net-zero emissions by 2050, with a focus on a just transition that prioritizes vulnerable communities and resilient future. The focus on Just transition ensures the transition to a low carbon economy that benefits all, particularly those communities and workers affected by a shift away from fossil fuels, she said.

She concluded by stressing that the RSA was not comfortable with loans and preferred grants. She further called for the RSA to be exempted on CBAM (Carbon Border Adjustment Mechanism) which is a policy that aims to reduce green house gas emissions by putting price on carbon from imported goods which was introduced by EU in 2023. She urged Denmark to assist with their experience in tackling challenges.

In response, H.E Ms E Krone – the Ambassador of Denmark in the RSA thanked the Co-Chairpersons and the Members of the two Portfolio Committees for accepting the request to meet with the visiting Danish counterparts. She gave a brief overview of the existing bilateral relations between Denmark and the RSA which were elevated to the Strategic Partnership in 2022. She cited engagements at Executive and Parliamentary levels of the two countries and some of the members in the Danish delegation it's their first time to be in South Africa. She explained the purpose of their visit was to discuss issues of mutual benefit and learn more on “Just Energy Transition” how would it affect jobs, among others.

In conclusion, Ambassador shared the Danish experience which was dependent on fossil fuels in 1990s as a result much cleaner environment, and cheaper due to solar power. New jobs came because of energy transition although most people were dependent on coal.

Mr R Langhoff, MP (Social Democratic Party) – the Chairperson assisted by members of the delegation mentioned that they held meetings with representatives from the Numsa and Cosatu in Johannesburg. The Danish delegation emphasized the great opportunities in energy transition and

expressed appreciation in the existing energy partnership between South Africa and Denmark.

During the discussion, the South African MPs pointed out the following:

- Acknowledged the global leadership role played by Denmark in the energy transition aiming for complete fossil fuel independence by 2045 – 50.
- The closing of coal power stations in the RSA resulted in job losses.
- The Eskom final plan to decommission the Komati Power Station in 2022 was cited as a very bad decision taken because of the RSA commitment to foreign partners.
- Notwithstanding that South Africa was closing coal power stations and experiencing loadshedding, South Africa's export of coal to Europe increased by 600%.

#### **4. General outcome of the meeting**

The meeting further deliberated and concluded as follows:

- 1) Acknowledged the global leadership role played by Denmark in the energy transition aiming for complete fossil fuel independence by 2045 – 50.
- 2) Noted the importance of sharing experiences and learning from each other including mistakes encountered on the way.
- 3) Believed, the decommissioning of the Komati Power Station in 2022 was cited as a very bad decision.
- 4) The joint meeting was a success

- (27) Report of the Visit by Swedish Parliamentary Committee on Foreign Affairs 6 March 2025



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**Report of the Joint Meeting between the Visiting Swedish Parliamentary  
Committee on Foreign Affairs and the Portfolio Committee on  
International Relations and Cooperation and the Portfolio Committee on  
Defense and Military Veterans of the Parliament of the RSA held on  
Thursday, 06 March 2025, in Parliament.**

## 1. Purpose of the Report

To report on the Joint Meeting between the Visiting Swedish Parliamentary Committee on Foreign Affairs and the Portfolio Committee on International Relations and Cooperation and the Portfolio Committee on Defense and Military Veterans of the Parliament of the RSA held on Thursday, 06 March 2025, in Parliament.

## 2. Background

The Swedish Embassy in Pretoria initiated the meeting.

### **Purpose of the meeting**

The purpose of the meeting was to discuss issues of foreign and security policy, the RSA role in Africa, the Russia – Ukraine War, Israeli – Palestinian conflict, China’s influence and the Reform of United Nations Security Council, among others.

**Swedish side:** Mr M Johansson, MP – Delegation Head; Mr O Theron, MP (Social Democratic Party); Ms A Sofie-Alm, MP; Mr JE Weinerhal, MP Ms K Tolgfors, MP (Moderate Party; Ms C Fogelstrom (Charge d’affaires, Swedish Embassy) Mr M Jornrud and Mr L Whaley (Officials: Swedish Embassy).

**South African side:** Ms T Sokanyile, MP and Ms M Modise – Mpya, MP (Co-Chaired the Joint Meeting); Mr W Plaatjies, MP; Mr M Hala, MP; Mr MS Moela, MP and Ms AN Khumbaca, MP (ANC) Mr C Hattingh, MP and Mr R Smith, MP (DA); Mr WM Douglas, MP and Mr M Ntshingila MP (MKP); Inkosi RN Cebekhulu, MP (IFP) and Ms S Salie, MP (AL Jama - ha)

Mr SOP Mahumapelo, MP – the Chairperson of the PC on International Relations and Cooperation and Mr D Legoete, MP – the Chairperson of the PC on Defense and Military Veterans tendered their apologies for their absence.

### **3. Meeting discussion**

In her opening remarks, Ms Modise – Mpya, MP - the Co-Chairperson welcome the delegation to Parliament and commended the long existing bilateral relations between South Africa and Sweden. She called for further strengthening of relations in all areas. She further remarked that the meeting was taking place at a time when most countries in the world had elections, in some countries a change of government had been experienced.

In his remarks, Mr M Johansson, MP – the leader of the delegation informed the meeting that they have been in the RSA since Monday, 03 March and had meetings with various people in Gauteng. He also expressed appreciation on the historical ties between the RSA and Sweden dating back during the freedom struggle days. “The close relations are not only political but economically as well. I Feel at home in the RSA and delighted to be invited to the G20 Conference” he said.

He also expressed his condolences to the 14 RSA soldiers who died in the Democratic Republic of Congo (DRC) and express support for the upcoming EU – SA Summit in Cape Town on 13 March, the first one since 2018. He stressed that the Summit would bring an opportunity to reaffirm Europe’s commitment to its unique partnership with the RSA, strengthen the strategic

ties, and tackle global challenges together. He further argued that the Summit marks a key moment for the EU to support the RSA's G20 presidency.

In conclusion, Mr M Johansson, MP – the leader of the delegation touched on the upcoming State Visit of the President of Ukraine, Mr Zelenskyy sometime in 2025 and posed a question how the RSA viewed or estimates that situation? “A free South Africa is a country that has a special place in Sweden” he concluded.

In her response, Ms Modise – Mpya, MP - the Co-Chairperson of the Joint Meeting expressed that the RSA had been saddened by the death of the 14 soldiers in the DRC and explained that that RSA soldiers were in the DRC as part of the SADC Peace Keeping Mission – to maintain peace and protection of women and children who are always major victims in a war situation. “The RSA not intending to retaliate because SA soldiers are in the DRC to maintain peace” she pointed out.

On the Israeli – Palestine conflict, Ms Modise – Mpya, MP reiterated the position of the RSA – Two State solution in the conflict both living side by side to each other in peace. She also expressed concern with regards to the plight of the people in Gaza.

The floor was opened to all Members in attendance for comments. During the discussion

The South African side pointed out the following:

- Acknowledged that the bilateral relations between the RSA and Sweden had grown to a strategic partnership and expressed appreciation for the support from Sweden during the struggle days,
- Expressed concerned by the USA 's role in polarizing the RSA trying to undermine SA sovereignty. Emphasized the importance of taking the relationship to a new level especially in the current volatile world order.
- Commended the role played by Swedish companies in the RSA in creating jobs.
- Further, urged for strengthening of relations, increased trade and tourism between the two countries.
- Noted the one-sided nature of the current trade and investments situation that benefits Sweden.
- Called for collaboration in the G20 between SA – Sweden. The RSA has a lot to learn on Sweden especially on areas of Ports Managements, among others.

Swedish side pointed out the following:

- Called for further strengthening of relations between Sweden and the RSA including the European Union (EU).
- Commended the peacemaking role played by the RSA in the region. Expressed concerns regarding the USA undermining the “rules-based world order principle/s”.
- Called for no double standards whether it is Ukraine invaded by Russia or Gaza invaded by Israel. Invasion of Ukraine by Russia very

concerning to Sweden, horrified by reports that almost 20 million children kidnapped from Ukraine by Russians,

- Called for close cooperation between Sweden and the RSA on reform of the UN Security Council, multilateralism, “rules-based world order”,
- Aware of the USAID challenges experienced all over the world and political parties in Sweden have expressed concerns about what is taking place in the USA because it is important for Sweden to maintain good relations with the USA – guided by “rules-based world order principle/s”, among others.

#### **4. General outcome of the meeting**

The meeting further deliberated and concluded as follows:

- 1) Expressed appreciation for the existing cordial bilateral relations between the RSA and Sweden. Looking forward to further cooperation in Defense and tourism. The need to build on existing ones was stressed.
- 2) Both sides agreed that the exchanges were very fruitful and mark the beginning of further discussions.
- 3) The joint meeting was a success

- (28) Report of the Courtesy Call on Speaker, Ms. AT Didiza, by Japanese Amb HE Mr. Shimizu Fumio 26 March 2025



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**Report of the Courtesy Call on Ms AT Didiza, MP – the Speaker of the  
National Assembly (NA) by H.E Mr SHIMIZU Fumio – the Ambassador of  
Japan in the RSA held on Wednesday, 26 February 2025, in Parliament**

## 1. Purpose of the Report

To report on the Courtesy Call on Ms AT Didiza, MP – the Speaker of the National Assembly (NA) by H.E Mr SHIMIZU Fumio – the Ambassador of Japan in the RSA held on Wednesday, 26 February 2025, in Parliament.

## 2. Background

The Embassy of Japan in the RSA initiated the courtesy call.

## 3. Purpose of the courtesy call

H.E Mr SHIMIZU Fumio – the Ambassador of Japan in the RSA arrived in South Africa on 31 December 2024 as the newly appointed Ambassador of Japan to the RSA. He requested the courtesy call to introduce himself to the leadership of Parliament.

**Japanese side:** H.E Mr SHIMIZU Fumio – the Ambassador of Japan in the RSA accompanied by Mr Toshiki CHUBACHI – the First Secretary, Embassy of Japan.

**South African side:** – Ms AT Didiza, MP – the Speaker of the National Assembly (NA). Mr K Ngcobo – the Stakeholders and Communications Specialist, Office of the Speaker; Dr S Ntombela – Special Advisor to the Speaker; Mr Z Cawe – the IR Officer: Bilaterals and Mr I Mundell – the Parliamentary Protocol and Liaison, IRPD supported the meeting.

## 4. Meeting discussion

In her opening remarks, Ms AT Didiza, MP – the Speaker of the National Assembly (NA) extended a warm welcome to H.E Mr SHIMIZU Fumio – the Ambassador of Japan and wish him a fruitful stay in the RSA. She reaffirmed

the importance the RSA attaches to its bilateral relations with Japan and urged for further strengthening of relations in areas of agriculture, trade and investment, science and innovation, education, development cooperation, amongst others.

The Speaker also acknowledged various interactions at the executive level highlighting the TICAD Ministerial Meetings, the upcoming visit to Japan by Mr Paul Mashatile – the Deputy President of the RSA scheduled for mid-March 2025, among others. At the parliamentary level, the Speaker called for cooperation between the two Parliaments pointing out the establishment of Parliamentary Friendship Groups as a vehicle to strengthen relations.

She further informed the Ambassador about the RSA hosting the G20 in August 2025 and urged Japan to engage the RSA on matters that affect both countries including those of international interest.

In conclusion, the Speaker congratulated the RSA and Japan in a year which the two countries celebrate 115 years of relations.

In response, Ambassador SHIMIZU thanked Speaker for the courtesy call and commended the existing bilateral relations between the RSA and Japan. He mentioned the recently held G20 Foreign Affairs Ministers. The Minister of International Relations and Cooperation, Mr R Lamola, MP had an opportunity to meet his Japanese counterpart on the sidelines of that meeting. He congratulated the RSA for being chosen to host the G20 Countries meeting in August 2025 and stated that Japan would continue working with the RSA in

ensuring the success of the G20 Countries Meeting. He further confirmed the working visit to Japan by the Deputy President, Mr Paul Mashatile in mid-March 2025 and expressed appreciation to the existing strong cooperation between the two countries. He gave an overview of economic relations between the RSA – Japan. He pointed out that Japan is the 4<sup>th</sup> trade partner in the world for the RSA, development partner, cooperation in science and technology, financial assistance provided including Japanese projects in the RSA, among others.

On human exchanges and education, Ambassador SHIMIZU cited the employment of the youth from the RSA as English teachers in Japanese schools and rugby players plying their trade in the Rugby League in Japan. He emphasized the importance of exchanges on science and technology and human resources investments pointing out that after the World War 2, Japan had to start from scratch and embarked on rapid industrialization.

In conclusion, Ambassador SHIMIZU urged the RSA – Japan to work together in tracking climate change matters. He further conveyed a message of the Speaker of the Lower House extending an invitation to Speaker Didiza, MP to pay an official visit to the Parliament of Japan (Diet)

In her concluding remarks, Ms AT Dididza, MP – the Speaker of the NA noted the invitation to pay an Official Visit to Japan however, she was intending to invite the Speaker of Japan to the G20. After the advice from Ambassador SHIMIZU to instead consider inviting the Speaker of the Upper House to the G20.

## **5. General outcome of the meeting**

The meeting further deliberated and concluded as follows:

- 1) Ambassador SHIMIZU conveyed a message from the Speaker of the Lower House (Diet) extending an invitation to Speaker Didiza, MP to pay an official visit to the Parliament of Japan at a convenient date to both sides in 2025.
- 2) The Speaker expressed an intention to invite the Speaker of the Lower House of Japan to the G20 in August 2024 however, at the advice of Ambassador SHIMIZU she would consider inviting the Speaker of the Upper House to the G20 in August 2025.
- 3) The courtesy call was a success.

- (29) Report of the Courtesy Call on the Deputy Speaker, Dr. A Lotriet by the Deputy Speaker of the National Assembly, Ms. Maria Myrogianni – the Secretary General for Greeks abroad and public diplomacy, Ministry of Foreign Affairs of Greece 26 March 2025 Parliamentary Precinct



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**REPORT OF THE COURTESY CALL ON DR ANNELIE LOTRIET, MP –  
DEPUTY SPEAKER OF THE NATIONAL ASSEMBLY (NA) BY MS MARIA  
MYROGIANNI – THE SECRETARY GENERAL FOR GREEKS ABROAD  
AND PUBLIC DIPLOMACY, MINISTRY OF FOREIGN AFFAIRS OF  
GREECE, HELD ON WEDNESDAY, 26 MARCH 2025, IN PARLIAMENT**

## **1. Purpose of the Report**

To report on the courtesy call on Dr Annelie Lotriet, MP – the Deputy Speaker of the National Assembly (NA) by Ms Maria Myrogianni – the Secretary General for Greeks Abroad and Public Diplomacy, Ministry of Foreign Affairs of Greece, held on Wednesday, 26 March 2025, in Parliament.

## **2. Background**

The Greek Consulate in Cape Town initiated the courtesy call.

## **3. Purpose of the courtesy call**

Ms Maria Myrogianni was in the Republic of South Africa (RSA) to connect with people of Greek descent living in the Republic. The intention was to promote Greek culture, traditions, national day, tourism, etc. among the Greek diaspora. Almost 50 000 people of Greek origin live in the RSA. She requested the courtesy call to introduce herself to the Deputy Speaker.

## **4. Participants**

### **The delegation from Greece:**

- Ms Maria Myrogianni the Secretary General for Greeks Abroad and Public Diplomacy, Ministry of Foreign Affairs
- Ms Eftychia Xydia – the Advisor to the Secretary General
- Ms Margarita Myrogianni – Member of the delegation;
- Mr Soritios Demestihias – the Consul General, Greek Consulate in Cape Town

**The delegation from South Africa:**

- Dr A. Lotriet, MP – Deputy Speaker of the NA
- Mr C. Wiegard – Office Manager: Office of the Deputy Speaker
- Dr N. Leibrandt-Loxton – Content Specialist: Office of the Deputy Speaker
- Mr Z. Cawe – International Relations and Protocol Division (IRPD)

**5. Meeting discussion**

In her opening remarks, Dr Lotriet extended words of welcome to Ms Maria Myrogianni and her delegation. She informed the delegation of the strong presence of the Greek community in the Free State Province with strong connections to the Greek Orthodox Church.

Ms Myrogianni congratulated the Deputy Speaker on the successful formation of the Government of National Unity (GNU) and her election as Deputy Speaker, especially highlighting her achievement as a woman. She shared that the next elections in Greece would be held in 2027. Dr Lotriet observed that the concept of GNU was new for Parliament, and that South Africa and its institutions are still adapting to coalition politics.

Ms Maria Myrogianni explained the purpose of her visit to the RSA, which was to connect with people of Greek origin living in the RSA. Her overall work includes establishing connections with the Greek diaspora and public diplomacy.

Regarding public diplomacy work, Ms Myrogianni stressed the importance of encouraging collaboration between Greece and South Africa on issues of mutual interest. She expressed interest in the Greek language courses offered at universities and mentioned an upcoming meeting with a professor at the University of Cape Town. She also emphasised the desire to see more teaching courses presented on modern Greek, and informed the Deputy Speaker of scholarship programmes available for eligible RSA students who are not necessarily of Greek origin.

In conclusion, Ms Myrogianni wished the RSA well in its ongoing preparations towards hosting the G20 Summit in November 2025 and urged for collaboration through the diaspora. She stressed the importance of the strengthening of bilateral relations between Greece and the RSA because of the strong South African community in Greece. She also offered collaboration during South Africa's chairpersonship of the G20 and Parliament's hosting of the P20 Summit. Ms Myrogianni also showed interest in expanding bilateral parliamentary relations between Greece and South Africa and requested the possibility of establishing a friendship group. Furthermore, she complimented the work of the South African Ambassador in Greece and requested the Deputy Speaker to investigate the issue of delayed visas for Greek teachers visiting South Africa to teach Greek.

## **6. General outcome of the meeting**

The meeting concluded with a positive outlook for potential collaboration, marked by expressions of mutual interest in strengthening relations between

Greece and South Africa. The Deputy Speaker indicated that she would discuss the requests and suggestions with relevant authorities for further consideration.

### **7. Action by Parliament**

- Further discussions in Parliament on strengthening parliamentary relations between South Africa and Greece, including the potential establishment of a friendship group.
- Consideration of collaboration during South Africa's chairpersonship of the G20 and the P20 Summit.
- Internal discussion of the visa issue for Greek teachers visiting South Africa.

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

Dr Annelie Lotriet, MP – Deputy Speaker of the National Assembly

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- (30) Report of the meeting between the visiting delegation from the Regional Representative Council of the Senate of the Indonesian Parliament and the Select Committee on Agriculture, Land Reform and Mineral Resources of the Parliament of the RSA held on Tuesday, 29 April 2025, in Parliament



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**Report of the Meeting between the Visiting Delegation from the Regional Representative Council of the Senate of the Indonesian Parliament and the Select Committee on Agriculture, Land Reform and Mineral Resources of the Parliament of the RSA held on Tuesday, 29 April 2025, in Parliament.**

## 1. Purpose of the Report

To report on the Meeting between the Visiting Delegation from the Regional Representative Council of the Senate of the Indonesian Parliament and the Select Committee on Agriculture, Land Reform and Mineral Resources of the Parliament of the RSA held on Tuesday, 29 April 2025, in Parliament.

## 2. Background

The Indonesian Consulate in Cape Town initiated the meeting.

### **Purpose of the meeting**

The delegation requested the meeting with counterparts to have more insight on the Mining Industry in South Africa.

**Indonesian Side:** Angelius W Kako, MP – the leader of the delegation; Tudiono – the Consular General of Indonesia in Cape Town; La Ode Umar Bonte, MP; Azhari Cage, MP; Abdul Hamid, MP; Ivanda Af Sukandar, MP; Elisa Ermasari, MP; Eva Susanti, MP; Darmansyah Husein, MP; Ria Saptarika, MP; Happy Djarot, MP; Habib Said Abdurrahman, MP; Stefanus Liow, MP; Frebiyanthi Hongkiriwang, MP; Rahmijati Jahja, MP; Andri PP Singkaru, MP; Lalitha S.H, MP; Lis Tabuni, MP;

Untung Putra Jaya, Viyena Pravita and Tiara F Dipitresna supported the delegation. Widya Christinasari – the Consul for Economic Affairs; Rally AW Atmadja and Amanda Pattisina – the Consul for Protocol and Consular Affairs and Penjalin Adiarsi from the Indonesian Consulate were in attendance.

**South African side:** Mr Mpho G Modise, MP – the Chairperson of the Select Committee on Agriculture, Land Reform and Mineral Resources; Mr Solomon P Mabilo, MP (ANC); Ms M Kennedy, MP (EFF) and Mr Van der Berg.

Mr J Jooste – the Committee Content Advisor, Mr Z Cawe and Ms J Khuzwayo – from the International Relations and Protocol Division, Mr AA Bawa – the Committee Secretary, Ms A Zindlani – the Committee Assistant and Ms Y Landu – from the Media liaison supported the meeting.

### **3. Meeting discussion**

In his opening remarks, Mr Mpho G Modise, MP – the Chairperson of the Select Committee on Agriculture, Land Reform and Mineral Resources welcomed the delegation and apologised for the absence of many Committee members due to Constituency Work. He explained the role and mandate of the Committee which is the oversight over five Ministries and/or departments. “However, for the purpose of the meeting, the focus would be on Mineral Resources policies and /or legislation” he said.

He pointed out that the current MPs came after May 2024 national elections and conceded that the workload has been too much because they are responsible for oversight over 5 ministries, more than 20 agencies and entities. He introduced the Committee Members and staff present and further indicated that Mr J Jooste – the Committee Content Advisor would give a presentation focusing on mineral resources.

In response, Mr Angelius W Kako, MP – the leader of the delegation extended greetings to all MPs present and thanked Mr Tudiono – the Consul General of Indonesia in Cape Town for accompanying the delegation to the meeting. He also explained the purpose of their visit to the RSA which is to have an insight into Mineral Resources matters as they would be dealing with a new Bill on Mineral Resources, how the RSA and Indonesia can cooperate on innovation and technology in developing the mineral resources, among other things. He called for the RSA and Indonesia to work together.

In his input, Mr Tudiono – the Consul General of Indonesia in Cape Town expressed sincere gratitude and appreciation for the warm welcome. Also, to the Members of the Committee in their busy schedule for availing themselves to meet with the delegation. He highlighted the strong existing bonds between South Africa and Indonesia characterized by 330 000 people of Indonesian descent living in the RSA, tracing their arrival in 1694 led by Sheik Yusuf al Maqassari which inspired the struggle against the Dutch colonizers.

Mr Tudiono concluded his input by highlighting the meeting they had with the Speaker of NA, Ms AT Didiza, MP in February 2025, in Pretoria as Ambassadors of the Asian countries represented in the RSA which agreed on how to strengthen the people – to- people and parliament – to – parliament relations. He stressed the importance of the meeting between the visiting Delegation from the Regional Representative Council of the Senate of the Indonesian Parliament and the Select Committee on Agriculture, Land Reform and Mineral Resources of the Parliament of the RSA.

In his presentation, Mr J Jooste – the Committee Content Advisor gave a broad overview of the mining sector focusing on pre-democratic era mining practise, key legislative and policy developments in the RSA. He reaffirmed that the current situation focus is to transform the mining industry from the pre-colonial era to the post-colonial era.

In a nutshell, Mr Jooste's presentation was not to focus in detail on current legislation only but provided the context, background and rational on South African mining industry e.g how it was developed, where it is now and the government's attempt to transform the industry to a new direction rather than to establish a new mining industry. On economic pressures affecting mining sector, energy supply challenge that require electricity, shrinking gold mining sector resulting in job losses, distance e. g 100 km from the mine to the port, etc. were cited as issues that put pressure to the mining sector.

In conclusion, he cited the three pieces of legislation that regulate the mining industry in the RSA namely Mineral and Petroleum Resources Development Act (No.28 of 2002), Mine Health and Safety Act (No.29 of 1996) and the National Environmental Management Act (No.107 of 1998), among others.

The Chairperson thanked Mr Jooste for his presentation and urged the delegation to look at how they mine uranium because “nuclear plants are very dangerous. It has aftereffects that could cause much damage to the environment and could do more damage” he said. He advised the delegation to have laws that regulate nuclear plants, among other things.

#### **4. General outcome of the meeting**

The meeting further deliberated and concluded as follows:

- 1) Noted similar historic issues when it comes to mining.
- 2) Reaffirmed the importance of the engagements in strengthening parliament to parliament relations
- 3) Agreed that the Indonesian side would extend an invitation to the Committee to consider a benchmarking study visit to Indonesia. Formal invitation would be communicated through the Indonesian Consulate in Cape Town.
- 4) Both sides agreed that the exchanges were very fruitful and mark the beginning of further discussions.
- 5) The meeting was a success

- (31) Report of the Courtesy Call on Ms. R Mtshweni-Tsipane, MP – the Chairperson of the National Council of Provinces (NCOP) by the visiting Commonwealth Parliamentary Association – United Kingdom Branch (CPA-UK) held on 21 May 2025 Parliamentary Precinct



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**Report of the Courtesy Call on Ms R Mtshweni - Tsipane, MP – the  
Chairperson of the National Council of Provinces (NCOP) by visiting  
Commonwealth Parliamentary Association- United Kingdom Branch  
(CPA - UK) held on Wednesday, 21 May 2025, in Parliament.**

## 1. Purpose of the Report

To report on the Courtesy Call on Ms R Mtshweni - Tsipane, MP – the Chairperson of the National Council of Provinces (NCOP) by the visiting Commonwealth Parliamentary Association- United Kingdom Branch (CPA - UK) held on Tuesday, 20 May 2025, in Parliament.

## 2. Background

The Commonwealth Parliamentary Association- United Kingdom Branch (CPA - UK) initiated the courtesy call.

## 3. Purpose of the courtesy call

The main purpose of the visit was to strengthen cooperation between the CPA – UK branch and the Parliament of the RSA, share knowledge and experiences on matters of mutual interest on the “just transition” to renewable energy, explore trade opportunities and discuss key security matters, among other things.

**CPA -UK Branch:** Lord Syed Kamall – the delegation leader; Dr Rebecca C Cooper, MP; Dr Brian GF Matthew, MP; Graeme J Downie, MP Lord Gerard A Lemos, CMG CBE; Mr Jacob Loose – the CPA-UK Africa Region: Programme Manager and Ms Lucinda K Maer – Clerk in the House of Commons.

**South African side:** Ms R Mtshweni - Tsipane, MP – the Chairperson of the National Council of Provinces (NCOP); Mr P Govender, MP – the Deputy Chairperson of the National Council of Provinces (NCOP), Mr D Ryder, MP – the Chairperson of Committees (NCOP). Adv ME Phindela – the Secretary to

the NCOP and Mr M Mbatha – the Executive Director: Office of the Chairperson of the NCOP. Mr Z Cawe – the IR Officer: Bilaterals, IRPD supported the meeting.

#### **4. Meeting discussion**

In his opening remarks, Lord Kamall – the leader of the delegation thanked Ms R Mtshweni - Tsipane, MP – the Chairperson of the National Council of Provinces (NCOP) for availing herself for a meeting with the delegation.

In her remarks, Ms R Mtshweni - Tsipane, MP – the Chairperson of the National Council of Provinces (NCOP) welcomed the delegation to the NCOP and highlighted the shared history between the RSA and the UK. She pointed out that the UK is an important strategic partner of the RSA and urged for further strengthening of relations between the two countries. She also informed the delegation of the 2024 National Elections held in the RSA which resulted in the formation of the Government of the National Unity (GNU) and commended serious strides made by the GNU including its challenges. She expressed a hope and optimism that the GNU partners will continue to work together for the benefit of the people of the RSA.

She further pointed out that the Executive and the Parliament had met to identify the priorities for the 7<sup>th</sup> Government and Parliament. Once again, the Chairperson welcomed the delegation to the NCOP and stated that both Houses the NA and the NCOP are equal, however, the NCOP represent Provincial interest at the National level whereas the NA members were directly elected. She concluded by reaffirming the government's National

Development Plan Policy as a blueprint for the development in the RSA. “The visit by CPA – UK branch coincided with the Budget Speech to be delivered on that afternoon (Wed, 21 May 2025 at 14:00 at the CTICC). The budget should address the needs of the people” said the Chairperson of the NCOP. She extended an invitation to the delegation to attend and observe the sitting – Budget Speech by the Minister of Finance.

In his response, Lord Kamall stressed the importance of sharing knowledge and experiences including learning from each other. He explained the purpose of their visit to the RSA was to strengthen cooperation between the CPA – UK branch and the Parliament of the RSA, share knowledge and experiences on matters of mutual interest on the “just transition” to renewable energy, explore trade opportunities and discuss key security matters, among other things. He praised the government of the RSA for having adopted the National Development Plan as a policy of the National Government and acknowledged that all countries will always have the rich and poor. He proceeded to ask questions on how provincial interests are ensured in the Parliamentary process because the UK government devolved power of education and health matters to the Scottish Parliament.

Ms R Mtshweni - Tsipane, MP – the Chairperson of the National Council of Provinces (NCOP) assisted by the inputs from Mr P Govender, MP – the Deputy Chairperson of the National Council of Provinces (NCOP), Mr D Ryder, MP – the Chairperson of Committees (NCOP) responded to the questions asked by the delegation. In their responses, the legislative process, role and mandate of the NCOP were explained in detail. The Chairperson of

the NCOP also pointed out the three priorities that were tabled by the President of the RSA namely the Social, Economic and Professionalization of government institutions. On social priorities, it was stated that health and education were free. At the tertiary level through a bursary scheme for those who cannot afford. Those who can afford – free to use private hospitals. It was stressed that the government would have to take care, and every piece of legislation should take care of the needs of the people.

In conclusion, the Chairperson of the NCOP cited the NCOP programmes including Provincial and Municipal Week, Taking Parliament to the People, among others. She stated that these programmes ensure communication with people and that their needs are addressed. It was further stressed that the RSA should be proud of its Constitution and that the model of the NCOP is based on the German Bundesrad.

## **5. General outcome of the meeting**

The meeting further deliberated and concluded as follows:

- 1) Acknowledged that the process of the transformation of the CPA Bill has taken very long characterised by the number of years of lobbying by the RSA
- 2) Noted the report by the delegation that the transformation of the CPA Bill has been signed into law.
- 3) The courtesy call was a success.

## **6.Action by Parliament**

None.

- (32) Report of the Courtesy Call on Dr A Lotriet, MP – the Deputy Speaker of the National Assembly (NA) by visiting Commonwealth Parliamentary Association-United Kingdom Branch (CPA - UK) held on 20 May 2025 Parliamentary Precinct



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**REPORT OF THE COURTESY CALL ON DR A LOTRIET, MP – DEPUTY  
SPEAKER OF THE NATIONAL ASSEMBLY (NA) BY VISITING  
COMMONWEALTH PARLIAMENTARY ASSOCIATION- UNITED KINGDOM  
BRANCH (CPA - UK) HELD ON TUESDAY, 20 MAY 2025, IN  
PARLIAMENT**

## 1. Purpose of the Report

To report on the Courtesy Call on Dr A Lotriet, MP – the Deputy Speaker of the National Assembly (NA) by the visiting Commonwealth Parliamentary Association- United Kingdom Branch (CPA-UK) held on Tuesday, 20 May 2025, in Parliament.

## 2. Background

The CPA - UK Branch initiated the courtesy call.

## 3. Purpose of the courtesy call

The main purpose of the visit was to strengthen cooperation between the CPA – UK branch and the Parliament of the Republic of South Africa (RSA), share knowledge and experiences on matters of mutual interest, and learn about the Deputy Speaker's work and her experiences and impressions of the CPA.

**CPA-UK Branch delegation:** Lord Syed Kamall – delegation leader; Dr Rebecca C Cooper, MP; Dr Brian GF Matthew, MP; Graeme J Downie, MP Lord Gerard A Lemos, CMG CBE; Mr Jacob Loose – CPA-UK Africa Region: Programme Manager; and Ms Lucinda K Maer – Clerk in the House of Commons.

**South African delegation:** Dr A. Lotriet, MP – Deputy Speaker of the NA, supported by: Mr C. Wiegard – Office Manager: Office of the Deputy Speaker; Dr N. Leibrandt-Loxton – Content Specialist: Office of the Deputy Speaker; and Mr R. van der Walt – Advisor: Office of the Deputy Speaker. Mr Z. Cawe – IR

Officer: Bilateral Relations, International Relations and Protocol Division (IRPD) supported the meeting.

#### **4. Meeting discussion**

In his opening remarks, Lord Kamall thanked the Deputy Speaker for making time in her busy schedule to meet with the CPA-UK branch delegation. He informed the Deputy Speaker about the meetings they had the previous day with NGOs and Community Based Organizations, including a visit to a school in Stellenbosch.

He also gave an overview of the CPA pointing out that it is a voluntary organisation where decisions are taken based on consensus. He expressed an interest to understand how other parliaments and/or countries view the CPA, considering its colonial history. The UK is attempting to balance that history and the potential of the Commonwealth in contemporary times.

Lord Kamall stressed the importance of sharing knowledge and experiences including learning from each other. He explained the purpose of their visit to the RSA was to strengthen cooperation between the CPA – UK branch and the Parliament of the RSA, share knowledge and experiences on matters of mutual interest, notably related to the just transition to renewable energy, explore trade opportunities, and discuss key security matters, among others. The delegation also mentioned that they are seeking a host for the CPA International conference towards the end of 2026, and hoped that South Africa will consider hosting. The delegation offered to host a delegation from South Africa if there is interest.

Dr Lotriet highlighted the need for increased dialogue among South African MPs on the role of the CPA in fostering connections with other Commonwealth parliaments, especially given their shared parliamentary systems. Both delegations acknowledged the benefits of exchange visits to share knowledge, particularly regarding parliamentary procedures in multi-party and coalition contexts, and improving the responsiveness and engagement of debates, notably concerning urgent matters. Other topics of mutual interest included the use of artificial intelligence in parliamentary settings and strategies to support financially excluded communities.

#### **5. General outcome of the meeting**

The meeting further deliberated and concluded as follows:

- 1) Acknowledged the importance of sharing knowledge and experiences
- 2) Noted the interest by the CPA – UK Branch to host a delegation from the Parliament of the RSA.
- 3) The courtesy call was a success.

#### **6. Action by Parliament**

None.

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

Dr Annelie Lotriet, MP – Deputy Speaker of the National Assembly

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- (33) Delegation Report of the meeting between the visiting Indian high-level delegation and the delegation of the National Council of Provinces led by the Deputy Chairperson of the NCOP, Mr. L Govender held on 28 May 2025 Parliamentary of RSA



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**DELEGATION REPORT OF THE MEETING BETWEEN THE VISITING  
INDIAN HIGH-LEVEL DELEGATION AND THE NCOP DELEGATION LED  
BY THE NCOP DELEGATION LED BY THE DEPUTY CHAIRPERSON HON  
GOVENDER AND THE DELEGATION HELD ON WEDNESDAY, 28 MAY  
2025, PARLIAMENT AT S35.**

## 1. Purpose of the Report

To report on the bilateral engagement between the visiting Indian High -Level delegation and the National Council of Provinces High-level delegation led by the Deputy Chairperson and Members of the NCOP held on Wednesday, 28 May 2025, at Committee Room S35 in Parliament. The purpose of the meeting was to brief the NCOP delegation about the recent developments in relation to the escalation of attacks between India and Pakistan.

## 2. Background

The Indian Embassy in Pretoria initiated the meeting and the Consulate in Cape Town facilitated a meeting with the NCOP.

In his welcoming remarks the leader of the South African delegation, Mr Govender, MP and Deputy Chairperson of the National Council of Provinces expressed the importance of the bilateral relations as a means to share information, encourage gathering of minds. He further expressed that South Africa condemns any acts of terrorism as in the words of late President Mandela “no country should allow itself to be victims”.

He allowed the SA MPs to introduce themselves. He further requested the visiting delegation to reciprocate and introduce themselves through their leader of the delegation.

**Indian Parliamentary delegation:** Hon Ms Supriya Sule, MP – Leader of the delegation; Hon Mr Anurag Thakur, MP – former Minister of Information and Broadcasting, Youth and Sports; Hon Rajiv P Rudy, MP - former Minister of

State for Development, Civil Aviation and Parliamentary Affairs; Hon Mr Anand Sharma, MP – Former MiniCommissioner.rce and Industry; Hon Mr Manish Tewari, MP - former Minister of State Information and Broadcasting; Hon L Sri Krishna Devarayalu, MP; Hon Mr V Muraleedharan, MP – former Minister of State for External Affairs and Parliamentary Affairs; Ambassador Syed Akbaruddin – former Permanent Representative of India in the United Nations; Ambassador Prabhat Kumar – High Commissioner of India in the RSA; Ms Banu Prakash- Deputy High Commissioner;

**The NCOP delegation led by** - Hon Govender – NCOP Deputy Chairperson, Hon Mananiso, MP, Hon Adv.Nonkonyana, MP, Hon Boschhoff,MP,Hon Mokoena, MP, Hon Pule,MP, Hon Matshobeni,MP; Hon Noe ,MP; Hon Gotsell,MP and Hon Medupe,MP

### **Meeting discussion**

In his opening remarks, Hon Govender welcomed the delegation to Parliament and commended the existing cordial relations between South Africa and India. He pointed out that both countries are members of the BRICS, G20/P20, believe in Multilateralism and that conflicts should be resolved through peaceful means. He also acknowledged the contributions made by Mahatma Gandhi and Nelson Mandela in the liberation struggle. He called for further strengthening of relations between South Africa and India.

In her response, Hon Supriya Sule, MP – Leader of the delegation expressed her delegation appreciation to meet with the NCOP delegation. She also acknowledged the deep connection between South Africa and India including

the values instilled by both Mr Nelson Mandela and Mr Mahatma Gandhi. She commended the existing strategic partnership between the two countries and their commitment to a peaceful world order. She congratulated and expressed best wishes for South Africa hosting of G20 /P20 Summit in late 2025.

She further gave a concise update to the meeting about the terrorist attacks that took place on 22 April in Pahalgam, a town located in India administered Kashmir that killed 26 people which was strongly condemned by Indian government and the subsequent announcement of “Operation Sindoor” by the Indian government as a response to the Pahalgam terrorist attacks, targeting what it terms as “terrorist infrastructure” in Pakistan.

The other members of the delegation in their inputs pointed out that they were in the RSA as a multi – party delegation with a sole purpose to update the leadership in South Africa on recent escalation of attacks between Pakistan and India. They stated that India has no problem with its neighbours but have a problem with cross border terrorist attacks carried out by groups from Pakistan citing the recent attacks that killed 26 people. They reported the attacks and asked the United Nations to investigate because that was not the first attack.

The delegation further thanked the people and government of South Africa for its support against terrorist attacks and reiterated the position of India against such acts of terror. The delegation accused Pakistan of sponsoring such acts of terror against India in Kashmir. They urged the RSA to support India’s stance against such terrorist attacks.

They further expressed well wishes to SA as the forthcoming host of G20 and P20 respectively.

In response, the Members of the NCOP expressed their condolences to the families of the deceased in both sides (India and Pakistan) and reiterated the RSA stance of zero tolerance in any form of terrorism or violence and the belief that all conflicts should be resolved through dialogue. The members also urged India and Pakistan to address the cause of the conflict through peaceful dialogue. During the discussion, the Indian delegation was asked about the position of India on the International Court of Justice case against Israel - that it had committed or committing genocide against Palestinians in Gaza.

The Indian delegation in response highlighted that India like South Africa has pluralistic views on the matter and that India was not a member of the International Criminal Court (ICC) however, India initially supported one State solution but in recent times support the two-state solution. India believes that the people of Palestine would have to decide whether they prefer one or two state solution.

#### 4. General outcome of the meeting

The meeting further deliberated and concluded as follows:

- 1) Noted that the meeting was historic because it was the first time that the NCOP met with a high-level delegation from the Indian Parliament.
- 2) Referred the Indian delegation to the statement issued by DIRCO calling for dialogue, de-escalation of the conflict.
- 3) Both sides expressed appreciation for the robust and open discussion during the meeting
- 4) Mutually agreed to safeguard vulnerable groups such as women and children.
- 5) Focus be given to the rehabilitation of all those affected.
- 6) India to enhance safety =border controls
- 7) The need to enhance peace through international declarations to counter terrorism
- 8) It was strongly agreed that a clearly defined Terrorism strategy is crucial to facilitate various interventions.
- 9) At policy-level National legislation is required to institutionalize counter-terrorist interventions. Issues relating to Human rights be prioritized.
- 10)South Africa-India Bilateral Cooperation be beneficial to deal with the
- 11)The meeting expressed the need for regular engagements even during Multilateral Conferences attended by both countries.
- 12)Indian economy be grown for sustainable development

- (34) Report of the meeting between the Visiting Indian High-Level delegation and the Portfolio Committee on International Relations and Cooperation held on Wednesday, 28 May 2025, in Parliament



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**Report of the Meeting Between the Visiting Indian High -Level delegation  
and the Portfolio Committee on International Relations and Cooperation  
held on Wednesday, 28 May 2025, in Parliament.**

## 1. Purpose of the Report

To report on the Meeting Between the Visiting Indian High -Level delegation and the Portfolio Committee on International Relations and Cooperation held on Wednesday, 28 May 2025, in Parliament.

## 2. Background

The Indian Embassy in Pretoria initiated the meeting.

### **Purpose of the meeting**

The purpose of the meeting was to brief the Committee about the recent escalation attacks between India and Pakistan.

**Indian Parliamentary delegation:** Hon Ms Supriya Sule, MP – Leader of the delegation; Hon Mr Anurag Thakur, MP – former Minister of Information and Broadcasting, Youth and Sports; Hon Rajiv P Rudy, MP - former Minister of State for Development, Civil Aviation and Parliamentary Affairs; Hon Mr Anand Sharma, MP – Former Minister of Commerce and Industry; Hon Mr Manish Tewari, MP - former Minister of State Information and Broadcasting; Hon L Sri Krishna Devarayalu, MP; Hon Mr V Muraleedharan, MP – former Minister of State for External Affairs and Parliamentary Affairs; Ambassador Syed Akbaruddin – former Permanent Representative of India in the United Nations; Ambassador Prabhat Kumar – High Commissioner of India in the RSA; Ms Banu Prakash- Deputy High Commissioner;

### **Portfolio Committee on International Relations and Cooperation**

**delegation:** Hon SOR Mahumapelo, MP – Chairperson of the Committee;

Hon Kumbaca, MP (ANC); Hon Moela, MP (ANC); Hon Douglas, MP (MKP);  
Hon N Mhlongo, MP (EFF); Hon Salie, MP (Al Jama)

### **3. Meeting discussion**

In his opening remarks, Hon Mahumapelo, MP – Chairperson of the Committee welcome the delegation to Parliament and commended the existing cordial relations between South Africa and India. He pointed out that both countries are members of the BRICS, G20, believe in Multilateralism and that conflicts should be resolved through peaceful means. He also acknowledged the contributions made by Mahatma Gandhi and Nelson Mandela in the liberation struggle. He called for further strengthening of relations between South Africa and India.

In her response, Hon Supriya Sule, MP – Leader of the delegation expressed her delegation appreciation to meet with the Members of the Committee. She also acknowledged the deep connection between South Africa and India including the values instilled by both Mr Nelson Mandela and Mr Mahatma Gandhi. She commended the existing strategic partnership between the two countries and their commitment to a peaceful world order. She congratulated and expressed the best wishes for South Africa hosting of G20 Summit in late 2025.

She further briefed the meeting about the terrorist attack that took place on 22 April in Pahalgam, a town located in India administered Kashmir that killed 26 people which was strongly condemned by Indian government and the subsequent announcement of “Operation Sindoor” by the Indian government

as a response to the Pahalgam terrorist attacks, targeting what it terms as “terrorist infrastructure” in Pakistan.

The other members of the delegation in their inputs pointed out that they were in the RSA as a multi – party delegation with a sole purpose to brief the leadership in South Africa on recent escalation of attacks between Pakistan and India. They stated that India has no problem with its neighbours but have a problem with cross border terrorist attacks carried out by groups from Pakistan citing the recent attacks that killed 26 people. They reported the attacks and asked the United Nations to investigate because that was not the first attack.

The delegation further thanked the RSA for its support against terrorist attacks and reiterated the position of India against such acts of terror. The delegation accused Pakistan of sponsoring such acts of terror against India in Kashmir. They urged the RSA to support India’s stance against such terrorist attacks.

In response, the Members of the Committee expressed their condolences to the families of the deceased in both sides (India and Pakistan) and reiterated the RSA stance of zero tolerance in any form of terrorism or violence and the belief that all conflicts should be resolved through dialogue. The members also urged India and Pakistan to address the cause of the conflict by peaceful dialogue. During the discussion, the Indian delegation was asked about the position of India on the International Court of Justice case against Israel - that it had committed or committing genocide against Palestinians in Gaza.

The Indian delegation in response highlighted that India like the RSA has pluralistic views on the matter and that India was not a member of the International Criminal Court (ICC) however, India initially supported one State solution but in recent times support the two-state solution. India believes that the people of Palestine would have to decide whether they prefer one or two state solution.

#### **4. General outcome of the meeting**

The meeting further deliberated and concluded as follows:

- 1) Noted that the meeting was historic because it was the first time that the Committee met with a high-level delegation from the Indian Parliament.
- 2) Referred the Indian delegation to the statement issued by Dirco calling for dialogue, de-escalation of the conflict.
- 3) Both sides expressed appreciation for the robust and open discussion during the meeting
- 4) The meeting was a success.

# COMMITTEE REPORTS

## National Assembly

### **1. REPORT OF THE PORTFOLIO COMMITTEE ON TRANSPORT ON THE 2024/25 THIRD QUARTER EXPENDITURE OF THE DEPARTMENT OF TRANSPORT, DATED 24 JUNE 2025**

The Portfolio Committee on Transport, having considered the expenditure of the Department of Transport (“the Department”) for the Third Quarter of the 2024/25 financial year on 20 May 2025, reports as follows:

#### **1. INTRODUCTION**

The prime mandate of the Committee is governed by the Constitution of the Republic of South Africa, 1996 (“the Constitution”), in respect of its legislative and oversight responsibilities as public representatives. It is required to consider legislation referred to it and consider all matters referred to it in terms of the Constitution, the Rules of the National Assembly or resolutions of the House. It is also required to respond to matters referred to it by Government within its mandate. In addition, the Committee is entrusted with considering the budgets, Strategic Plans and Annual Performance Plans of the Department and entities that fall within the transport portfolio. This report provides an overview of the expenditure of the Department for the Third Quarter of the 2024/25 financial year, as presented to the Committee on 20 May 2025.

#### **2. ANALYSIS OF THE 2024/25 THIRD QUARTER EXPENDITURE OF THE DEPARTMENT OF TRANSPORT**

By the end of the Third Quarter of the 2024/25 financial year, the Department had spent R61.6 billion (or 71.4%) against a projection of R60.9 billion. This spending resulted in higher than planned spending of R725.4 million mainly on Transfers and Subsidies that amounted to

R785.5 million. This outcome was driven primarily by accelerated transfers to the Passenger Rail Agency of South Africa (PRASA) for purposes of meeting rolling stock obligations.<sup>1</sup>

At the programme level, the higher than planned spending for the Quarter was recorded in the Rail Transport programme, which recorded R1.3 billion spending ahead of projections. The higher than planned expenditure was, however, partially offset by lower than projected spending on most programmes, but more so by the R555.5 million below projection in the Public Transport Programme. The slow spending resulted from the withholding of grant transfers to cities due to non-compliance, and the low uptake of the Taxi Recapitalisation Programme (TRP).

By the end of the period under review, the Department had spent R428.5 million against the Third Quarter projection of R432 million for Compensation of Employees (CoE). The Department spent R4.4 million (or 1%) lower than projected mainly owing to the delayed filling of vacant posts. The Department had a funded vacancy list of 120 posts, and of these, twenty-nine (29) had been advertised and were reportedly in the process of being filled.<sup>2</sup> An additional four (4) posts had received concurrence from the Department of Public Service and Administration (DPSA) to be advertised.<sup>3</sup>

## 2.1 BUDGET EXPENDITURE PER PROGRAMME

**Table 1: 2024/25 Third Quarter Expenditure of the Department of Transport**

Programme R million	Main Appropriation	Adjusted Budget	Available Budget	Q3 Actual Expenditure	Expenditure As % of Available Budget	Q3 Projected Expenditure	Variance from Projected Expenditure	% Variance from Projected Expenditure
Administration	545	563.9	574.4	428.6	74.6%	436.6	8	1.8%

<sup>1</sup> National Treasury (2024a), p. 144.

<sup>2</sup> National Treasury (2025b), p. 146.

<sup>3</sup> Ibid.

Programme R million	Main Appropriation	Adjusted Budget	Available Budget	Q3 Actual Expenditure	Expenditure As % of Available Budget	Q3 Projected Expenditure	Variance from Projected Expenditure	% Variance from Projected Expenditure
Integrated Transport Planning	91.7	95.1	95.1	74.9	78.8%	76.5	1.5	2.0%
Rail Transport	19 490	19 490	19 490	15 928.8	81.7%	14 612.9	-1 315.9	9.0%
Road Transport	43 728.3	49 395.9	49 390.9	35 021.3	70.9%	35 025	3.7	0.0%
Civil Aviation Transport	538.5	547.8	547.8	364.6	66.6%	372.6	8	2.1%
Maritime Transport	189.4	196.8	196.8	132.1	67.2%	145.9	13.8	9.5%
Public Transport	16 038.3	16 002.8	15 997.3	9 684.6	60.5%	10 240	555.5	5.4%
<b>TOTAL</b>	<b>80 621.1</b>	<b>86 292.3</b>	<b>86 292.3</b>	<b>61 634.9</b>	<b>71.4%</b>	<b>60 909.5</b>	<b>-725.4</b>	<b>-1.2%</b>

(Source: National Treasury (2024a), p. 144)

### 2.1.1 Programme 1: Administration

The Administration programme spent R428.6 million (or 74.6%) against a projection of R436.6 million, resulting in lower than projected spending of R8 million (or 1.8%). The slow expenditure was mainly due to CoE which stood at R5.3 million behind projections, together with payments for capital assets which was R1.8 million below what the Department had projected. Slow spending on CoE was driven by vacancies that were vacated within the programme and had not been filled.<sup>4</sup>

### 2.1.2 Programme 2: Integrated Transport Planning

<sup>4</sup> National Treasury (2024a), p. 145.

In the Integrated Transport Planning programme, the Department spent 74.9 million (or 78.8%) against a projection of R76.5 million. Spending was R1.5 million (or 2%) below projections, primarily due to lower than anticipated spending on Goods and Services, specifically on administrative fees which spent below projection by R500 000.00 (or 99.9%) and consultants which spent below projection by R307 000.00 (or 3.3%).

### **2.1.3 Programme 3: Rail Transport**

The Department spent R15.9 billion (or 81.7%) against a projection of R14.6 billion in the Rail Transport programme. Spending was R1.3 billion (or 9.0%) more than what was projected. The accelerated expenditure was owing to transfers to PRASA for purposes of addressing Rolling Stock Fleet Renewal Project commitments in-year. However, the Rail Transport programme spent lower than the projection on CoE (R1.2 million below projection) and on Goods and Services (R2.6 million below projection).

### **2.1.4 Programme 4: Road Transport**

By the end of the Third Quarter of 2024/25, the Road Transport programme had spent R35 billion (or 70.9%) against a projection of R35 billion. Spending was relatively aligned with projections for this programme, with a marginal R3.7 million expenditure above projected estimates. This was attributable to timeous transfers, with an upside variation from planned projection of R1.7 million (or 0.0%). Goods and Services also recorded a moderate above projection spending of R1.8 million (or 4.4%), driven by spending on consultants. However, the programme was spending less than the projection on CoE.<sup>5</sup>

### **2.1.5 Programme 5: Civil Aviation Transport**

In the Civil Aviation Transport programme, the Department spent R364.6 million (or 66.6%) against a projected R372.6 million. Spending was R8 million (or 2.1%) below projections on Goods and Services. On Goods and Services, the lower than projected spending stemmed from:<sup>6</sup>

<sup>5</sup> National Treasury (2024a), p. 145.

<sup>6</sup> Ibid.

- Delays in projects such as the Regional Search and Rescue which had been postponed to the coming financial year due to cost-containment measures;
- The National Aviation Transformation Strategy which was pending the appointment of a service provider; and
- “Other Goods and Services projects” which had not incurred any expenditure by the end of the Third Quarter.

Although the programme had spent below projections, capital assets, as well as CoE had spent beyond projections by R166 000 and R3.2 million respectively.<sup>7</sup>

### **2.1.6 Programme 6: Maritime Transport**

By the end of the reporting period, the Department had spent R132.1 million (or 67.2%) against a projection of R145.9 million in the Maritime Transport programme. Spending was R13.8 million (or 9.5%) below projection. This was largely on:<sup>8</sup>

- Goods and Services, resulting from delays in the World Maritime Day Project which had been put on hold;
- The Marine Court of Inquiry which had to commence spending once the enquiries were convened;
- The South African Maritime Safety Authority’s (SAMSA) small vessels surveyor training programme which had to commence after the finalisation of the Memorandum of Understanding (MoU) with the Department for the entity to provide training on behalf of the Department; and
- “Other Goods and Services projects”.<sup>9</sup>

### **2.1.7 Programme 7: Public Transport**

The Department spent R9.7 billion (or 60.5%) against a projection of R10.2 billion in the Public Transport programme. Spending was R555.5 (or 5.4%) million below projection. The lower spending was on CoE spending R425 000.00 below projection, Goods and Services spending

<sup>7</sup> National Treasury (2024a), p. 145.

<sup>8</sup> National Treasury (2024a), p. 146.

<sup>9</sup> Ibid.

R23.2 million below projection, and Transfers and Subsidies spending R531.8 million below projection. Transfers expenditure outcome was owing to the withholding of Public Transport Network Grant (PTNG) funds to the Mangaung Municipality, and the low uptake (sluggish demand) of the TRP. Goods and Services also experienced slow spend and this was attributed to invoices that were “yet to be submitted by the panel of experts that [had] been appointed for public transport grant monitoring”.<sup>10</sup>

### **3. COMMITTEE OBSERVATIONS**

Members made the following observations during discussions on the expenditure for the quarter under consideration:

- 3.1 The reports on the programme areas were dealing with processes rather than focusing on the impact of service delivery of transport and the detail provided seemed contradictory since some reasons provided for the performance differed from previous quarterly reports.
- 3.2 The reasons for the under-expenditure in the Taxi Recapitalisation Programme (TRP), that the programme was demand driven, was not accepted as all unsafe vehicles must be removed from the road. The cost of buying a new vehicle did not promote the use of the scrapping allowance and the Department should find a different way to address unroadworthy vehicles and old vehicles.
- 3.3 The Public Transport Network Grant (PTNG) allocations showed a massive gap between the larger metros and the Department’s report did not explain what interventions were in place to address this. The report did not indicate where the PTNG transfers for Mangaung and eThekweni were diverted to.
- 3.4 The transfers of grants to agencies and municipalities were noted, but the expenditure reports did not provide an overview of the performance of the agencies and municipalities that received the transfers. The performance of the grants was concerning as the linkage to the municipal financial year led to municipalities not spending the full grant by the end of the financial year.
- 3.5 The Committee noted the continued underspending in the Aviation programme; however, the Committee was of the view that transformation in the aviation industry was not

<sup>10</sup> National Treasury (2024a), p. 146.

negotiable. The Committee was of view that access to the Civil Aviation investigation reports would assist with assessing the state of aviation safety in the country

- 3.6 The Committee noted the underspending in the Rail Transport programme and further noted that the Department's report on the programme focused more on legislation and did not provide enough information on the trains and the corridor recovery.
- 3.7 The Department reported 124 frozen posts on 27 August 2024 and further indicated that it would review its structure and functions but not much movement was observed on this. The Department was asked to provide the latest developments on the vacancies not filled by the end of the third quarter.
- 3.8 The Department's report on the expenditure did not indicate whether a proposal was made for the extension of driving licence card validity from 5 to 8 years, the status update on this issue and timeframes for implementation.
- 3.9 The general view was that the quarterly expenditure reports did not provide the required comprehensive feedback to the Committee on the programmes, projects, key performance areas as well as the performance of the entities that would assist the Committee to perform adequate oversight over the transport portfolio.

#### **4. COMMITTEE RECOMMENDATIONS**

The Committee recommends that the Minister, through the Department, should ensure the following:

- 4.1 That the Department should provide separate reports on the expiry dates of the contracts of the senior management at entities and submit a plan to the Committee to ensure the vacancies are filled;
- 4.2 The Department should provide the latest developments on the vacancies in the Administration programme that had been vacated and had not been filled by the end of the Third Quarter for 2024/25;
- 4.3 The Department had reported lower spending on the National Aviation Transformation Strategy and should therefore indicate whether it has developed an action plan to address the lower spending on the National Aviation Transformation Strategy;

4.4 The Department should provide an update on the process to fill the Air Services Licencing Board vacancies;

4.5 Having noted the report on the investigations on fraud and corruption, the Department should provide details on the conclusive outcomes and recommendations in its report such as how many persons were found guilty following fraud investigations, how many were prosecuted and sent to prison, suspended and on the consequence management that followed from these reports;

4.6 The Department should provide an updated report on the review of the TRP and its associated issues as well as an update on the World Bank assistance to the programme for the potential increase of the scrapping allowance;

4.7 The Department should ensure that the 2025/26 Annual Performance Plan and the new Strategic Plan for 2024 to 2029 should clarify the proposed legislation to be tabled before the Committee. It should also ensure that the pieces of legislation that affect the same industry such as maritime transport are aligned, as well as whether and by when the National Rail Bill would be tabled. It should also ensure that the legislation affecting the Road Accident Fund (RAF) is processed as soon as possible to assist the concerns as raised by the Committee regarding the RAF;

4.8 The Department must provide the Committee with a report on whether stakeholder engagements on the National Devolution Strategy took place and indicate the timeframes for the implementation of the strategy; and

4.9 The Department must provide the Committee with a report on what was achieved under the Rail Programme and what plans were in place to improve the performance of this programme.

Report to be considered.

## **2. REPORT OF THE PORTFOLIO COMMITTEE ON TRANSPORT ON ITS OVERSIGHT VISIT TO THE SOUTH AFRICAN NATIONAL ROADS AGENCY LIMITED (SANRAL) AND TRANSNET SOC LTD FROM 25 TO 28 MARCH 2025, DATED 24 JUNE 2025**

The Portfolio Committee on Transport, having conducted oversight at SANRAL and Transnet reports as follows:

### **1. Introduction**

In terms of section 42(3) of the Constitution of the Republic of South Africa, 1996, the National Assembly must scrutinise and oversee Executive action. The National Assembly through the Portfolio Committee on Transport oversees the work of the Department of Transport and its entities.

#### **1.1 Purpose of the visit**

##### **1.1.1 Oversight Visit to Mtentu Bridge Project with SANRAL**

In August 2024 SANRAL launched the construction phase budgeted at R2.2 billion of the N2 Wild Coast Road (N2WCR) project and contractor development programme for the N2WCR. It stretches over a distance of 410km from East London to the Eastern Cape's boundary Progress on Community Development Programme with KwaZulu-Natal. The construction of 96km of "greenfields" – or brand new – highway and 17km of upgrading between Ndwalane and the Mtamvuna River (near Port Edward) via Lusikisiki, serious building activity on this section commenced in 2018 with the Mtentu River mega-bridge, which will be the highest bridge in Africa. Once easier access and mobility is provided through the new road, the Pondoland stretch of the Wild Coast with its deep gorges, rugged coastline, many waterfalls, beautiful secluded beaches and unique flora and local culture, there will be huge potential for

conventional-, adventure- and eco-tourism. Inland the high rainfall and fertile ground provides great potential for agricultural development.

In its launch the CEO indicated that steady progress had been made, and the project had already had a massive socio-economic impact on local communities. Other than connecting four provinces, once complete, the route will be 69km and 85km shorter than the current N2 and R61 routes, respectively, and, owing to its shorter and flatter alignment, between 1.5 to three hours faster for light and heavy freight vehicles— reducing transport and/or logistic costs and will be a safer road. This project has been on the entity plans for several years; however, the start of construction was delayed by various factors such as the impact of the Covid-19 Lockdown on the entity operations, delays due to “construction mafia” stoppage pressure as well as community opposition. Ten years ago, the project was already the focus of litigation, and the N2 Wild Coast toll road has been criticised by communities around Bizana as some community members wanted construction to go ahead while others wanted the environment to be preserved.

Once completed in the 2027/28 financial year, the Mtentu bridge will be the highest in Africa and one of the longest main-span balanced cantilever bridges in the world, with a main span of 260 meters and a maximum height of around 223 metres. The Msikaba bridge project is worth R1.75 billion, and a portion of the contract value has been allocated for local labour and subcontracting to targeted enterprises. The Msikaba bridge – which will have a 580-metre deck span and will span over the 198-meter-deep Msikaba river gorge. The structure will be the longest cable-stayed bridge on the continent, in terms of main span. It will have the second-longest main span of any bridge in Africa. Currently, it also ranks as one of the highest bridges in Africa, only exceeded by the Bloukrans bridge, also in South Africa, and will soon be surpassed by the Mtentu bridge. The bridge features two inverted Y-shaped concrete pylons, each with a tall cylindrical spire. The pylons are 127 meters tall and have 17 pairs of main stay cables and back stay cables anchored to them.

### **1.1.2 Continuation of oversight visit to Transnet**

Following Proclamation 176 of 2024, on 27 August 2024 Transnet was moved to the Transport Portfolio. The visit to Transnet’s KwaZulu-Natal Port operations, Transnet Freight Rail

operations and Transnet Engineering is a continuation of the oversight conducted in February 2025 – due to the limited timeframe for the oversight during the week that was 24 February to 1 March, the visits to the Transnet KwaZulu-Natal operations were proposed to be moved to the next available oversight dates per the parliament programme and there were also indications from Transnet during the February oversight engagements at the Gauteng operations that the inland operations are often impacted on by the operations at the KwaZulu-Natal ports. The aim of the visit was for the Committee to be acquainted with the operations at the Ports of Richards Bay and Durban and to discuss pertinent issues with Transnet which arose since the proclamation as well as responses required from the engagements during the February oversight visit.

## **1.2 Delegation**

The following Members of Parliament formed the delegation for the oversight visit:

- Mr SD Selamolela, MP (ANC) – Leader of the delegation
- Ms NS Nkopane, MP (ANC)
- Dr CH Hunsinger, MP (DA)
- Mr T Mabhena, MP (DA)
- Mr T Montana, MP (MK)
- Mr M Blose, MP (EFF)

The Committee was supported by the following members of staff:

- Ms Valerie Carelse, Committee Secretary
- Ms Priscilla Mahlathi, Committee Assistant
- Dr Sifiso Ngesi, Researcher
- Adv Alma Nel, Content Advisor
- Mr Sibongile Maputi, Principal Communications Officer
- Dr Peter Daniels, Unit Manager: Committees

### **1.3 Purpose of the Report**

This Report captures the substantive discussions the Committee had during the oversight visit. The Committee Secretary can be contacted for access to the detailed presentations from SANRAL and Transnet.

## **2. Oversight visits to SANRAL**

On 25 March 2025 the Committee was briefed by the SANRAL Board members, Executives and project managers at the Mtentu North Bridge Boardroom with a comprehensive presentation on the N2WC project. This meeting was followed by a site visit of the Mtentu North Bridge construction site. The content of the briefing is summarised as follows:

### **2.1 Background to Project**

The project is a key project in implementing the National Development Plan (NDP) 2030, Strategic Integrated Project (SIP) 3, South-Eastern Node and Corridor Development. It covers 410 km of road from East London to the Mtamvuna River (EC/KZN border) and 112 km of greenfields from Ndwalane (PSJ) to the Mtamvuna River (Port Edward). The main works include the construction of 2 mega bridge structures namely the Msikaba and Mtentu River Bridges and 7 road packages with major bridge and interchange structures. On completion of the project, the benefits to the road users would be a road that is 85 km shorter and 1.5 to 3 hours faster.

In terms of the socio-economic impact and regional economic development, the shortened route will lead to faster delivery times and lower transportation costs. SANRAL estimated a R1,5 billion per year in time-cost savings. The project will lead to improved access, mobility and connectivity, an increase in local business opportunities such as the tourism, agricultural and retail sectors. The project will increase access to health care, education and other socio-

economic services. 8 000 direct jobs are created during construction and 16 000 to 20 000 indirect jobs.

## **2.2 Mega River Bridge Projects Progress to date**

### **2.2.1 Msikaba River Bridge**

The project description is the Construction of Msikaba River Bridge and associated roads. The estimated timeframe for the project is 74 months. The Construction starting date was January 2019, and the end date has been impacted by several issues – estimations are to complete the project within the 2028/29 financial year; however, this may continue to be impacted by international trade factors. The expenditure on the project to date has been R1.7 billion or 76% (excluding value added tax (VAT) and cost per acquisition (CPA)). As at January 2025 the project employed 193 employees, with 26 local suppliers, 56 service providers and 47 subcontractors.

The construction of the Pylons in the north is 72% completed at 92m out of 126.7m. The Pylon construction in the South is 79% complete at 100m out of 126.7m. The contractor has not exceeded the 35% Contract Participation Goals (CPG) Targets and achieved 34.9% to date. 193 labourers have been appointed directly by the Contractor or through sub-contractors, 127 are from Target area 1 and Target area 2. The original training budget was R4.2 million but the contract has exceeded the budget and has spent R7.6 mil on generic, community training and Contract Skills Development Goal (CSDG). The first deck segment (out of 17 deck segments) was launched at the South bank a week prior to the oversight visit. The work done on the finalisation of the first deck segment will give an indication of the timeframes required to install each deck and the total impact of this on the finalisation date.

Several Community Development (CD) projects are linked to the Msikaba bridge construction project: Mtentu Environmental Packages, Msikaba Local Road Packages, R61 Provincial Roads Packages, Port St Johns N2 Packages for bush and forest clearing and additional bush and forest clearing packages.

### **2.2.2 Mtentu River Bridge**

The project description is the Construction of Mtentu River Bridge and associated roads. The estimated timeframe for the project is 54 months. The Construction starting date was 5 April 2023, and the end date has been impacted by several issues – estimations are still to complete the project within the 2027/28 financial year; however, this may continue to be impacted by international trade factors. As at the time of receiving the presentation, the project employed 407 employees, with 27 subcontractors.

The work in progress is the excavation for pier 8 and 9 foundations, the pouring of blinding and reinforcement of abutment and pier bases and the steel fixing of abutment walls and pier bases. The targeted enterprises are 30.5% (R863 million) of which R61 million has been spent to date. 27 Subcontractors are engaged to date. Achievement linked to targeted enterprises is limited at this stage as construction is ramping up. The targeted labour is 4% (R113 million) of which R35 million has been spent to date and 326 local labour have been employed to date. Community and generic training have commenced with 25 local enterprises having been trained. Phase One of community development training has commenced with 39 trainees currently undergoing training in NQF 3/4 training.

**The following milestones were achieved in the past month:**

- Lateral support installation at foundation excavations for Piers 8 and 9;
- Excavation at Pier 8, 9, 10 and Abutment 1;
- Reinforcement has been fixed at Pier 5 and at the Abutment 13 first lift;
- Progress with fixing of steel reinforcement at Piers 6 and 7;
- Evaluation of the tenders to appoint subcontractors for the upgrade works for the Bulala Access Road and Ludeke Access Road; and
- Commencement of CD Training on the North bank, with phase 1, NQF 3 and 4 training commencing.

**The planned milestones in the next month are:**

- Progress with lateral support and foundation excavations on Pier 8 and Pier 9;
- Pour concrete for the bases of Piers 4;

- Pour concrete for first lift of Abutment 13;
- Pour blinding for Abutment 1 and Pier 10;
- Award subcontracts for Bulala Access Road;
- Completion of phase 1 CD training on the north bank; and
- Start phase 2 of CD training on the north and south banks.

### 2.3 N2WCR Packages 1 to 7: Work packages summary

SANRAL provided an overview of the N2WCR work packages. The following information was presented to the Committee:

PACKAGE	DESCRIPTION	ENVISAGED CONSTRUCTION START DATE	ENVISAGED CONSTRUCTION COMPLETION DATE	CONTRACT PERIOD	STATUS	ESTIMATED CONTRACT VALUE
1	Ndwalane to Ntafufu	Aug-26	Aug-30	48	Design	R 1 973 000 000
2	Ntafufu to Bambisana	Jun-26	Jun-30	48	Design	R 2 843 000 000
3	Bambisana to Lingeni	Oct-26	Jun-30	45	Design	R 2 838 710 000
4	Lingeni to Msikaba	May-25	Nov-29	48	Anticipated to commence in May 2025	R 2 296 695 921

-	Msikaba Bridge	Commenced	TBC	100 (EOT)	Construction 40% complete	R 2 357 420 133
5	Msikaba to Mtentu	Commenced	Jan-28	59	Construction 34% Complete	R 2 545 887 375
-	Mtentu Bridge	Commenced	TBC	48	Construction 11% Complete	R4 050 000 000
6	Mtentu to Kulumbe	Feb-26	Feb-30	48	Design	R 1 508 000 000
7	Kulumbe to Mtamvuna	Sep-26	Sep-30	48	Design	R 1 825 000 000

### **2.3.1 Package 1: Construction of N2WCTH section 19 between Ndwalane (km 75.60) and Ntafufu (km 92.28)**

The envisaged design completion date for this project is November 2025. The envisaged construction tender date is June 2026, followed by the construction start date in January 2027. The envisaged construction end date is January 2031. The project for the upgrade of the Airport Road which is a municipal road upgrade, is registered and budgeted for and this package will go out to tender in 2025 with an envisaged start date of December 2025. The Ntafufu and Maphindela Schools and 138 dwellings will be relocated for the project at the envisaged start date of April 2026. The design is in progress, subject to approval from the Department of Basic Education. 34 km of access roads will be constructed.

### **2.3.2 Package 2: Construction of N2WCTH section 19, at km 101.80 between Ntafufu and Babisana Junction**

The envisaged design completion date is April 2026. The envisaged construction tender date is July 2026, followed by the construction start date in April 2027. The envisaged construction end date is January 2031. A contractor was appointed for construction (mobilisation period) of the upgrade of the Bambisana Bypass which is a provincial road upgrade. This project will have relocations estimated at 150 dwellings (design ongoing) as well as 23.6km of access roads to be constructed.

### **2.3.3 Package 3: N2WCTH Section 20 between Bambisana hospital intersection (km 5.30) and the Lingeni Intersection (km 15.40)**

This is the main works contract and comprises the construction of the N2 Highway, two Diamond Interchanges and two Quarter Link Interchanges which include ramps, crossing roads and bridges. The design completion date is 2 May 2025. The final factual report on the Geotech Drilling and Survey was submitted on 31 July 2024. The property report for the land acquisition has been submitted to SANRAL.

The start date for package 3, the CD Mbotyi progress, was 8 September 2023. The original completion date was set as 9 March 2025, while the anticipated completion date is 20 September 2025. The physical progress to date is at 5%, and the elapsed time is 89,1%, with R13 million expenditure to date. The project mobilization phase of pre-training, procurement process for Trainee Targeted Enterprises (TTEs), Project mobilization: Training stage and Project construction: preparation phases are all at 100% completion. The Target Enterprise (TE) Supervisor and Construction Manager are appointed as part of the 2<sup>nd</sup> phase of theoretical training for TTE managers. The site establishment is 100% completed. The bypasses and earthwork commenced.

### **2.3.4 Package 4: N2 Wild Coast Toll Highway Section 20 Between the Lingeni Intersection (km15.40) and the Msikaba Bridge (km 33.02)**

The Court Interdict against the project has been lifted. The project was handed over to the contractor. The construction contract is scheduled to start in mid- May 2025. The project is

estimated to take 54 months, however, the interdict caused delays to conclusion of contractual matters and the end date is yet to be confirmed.

### **2.3.5 Package 5: Section 20 Between the Msikaba River Bridge and the Mtentu River Bridge**

The construction start date was 22 February 2023 and the construction end date is 26 January 2028. The expenditure as at February 2025 for the project is R854 million. The time lapsed percentage is 38.50% excluding the 3-month mobilization period. Progress to date is 35% while the expenditure to date is 31.94%.

The community development project under package 5 includes the rehabilitation of Ingquza Hill Road. Ingquza Hill Road is in the Ngubengcuka Community and is the main access road to Ingquza Hill Memorial Site. The road comprises of two sections viz. Road 1 and Road 2 and both sections form a link with the Holy Cross Road. Road 1 is approximately 5.88km long and Road 2 is approximately 3.81km long.

The CPG and labour targets for the package are:

- 35% TE CPG (R885 million for SMMEs) and 8% Labour CPG (R202 million);
- 340 local labour;
- R2.99 million: Generic and Community Training;
- R9.2 million for Community development;
- R6.35 million for Skills development (CSDG, MSMEs);
- 650 Labour appointed to date;
- 119 MSMEs packages planned; and
- 64 MSMEs Appointed to date.

A Catering Training: Community Development project was started as a legacy project that provides catering training for local caterers at National Certificate Junior Chef Level 1.

### **2.3.6 Package 6: N2WCTH Section 21 between Mtentu River Bridge (km 1.56) and Kulumbe Village (km 21.50)**

The envisaged design completion date for the package is February 2025. The envisaged construction tender date is June 2025, followed by the construction start date in February 2026. The envisaged construction end date is August 2030. The Access Management Plan was presented to the Project Liaison Committee (PLC) on 24 September 2024. 45km of access roads will be constructed. The Property Report for the Land Acquisition and Relocations was received on 13 May 2024. Approximately 220 dwellings will be relocated. The detailed survey is completed. The Draft Final Report on Geotechnical Investigations was done by 7 May 2024. The final factual report for the Geotechnical Investigations was completed on 5 July 2024. An Environmental Assessment Practitioner (EAP) was appointed for additional environmental approvals. The submission of the draft Detailed Design Report including Structures, Drainage and Geotechnical Reports are the milestones planned for this quarter.

### **2.3.7 Package7: N2WCTR Section 21 between Kulumbe Village (km 21.50) and the Mtamvuna River (km 32.80)**

The envisaged design completion date of the package is June 2025. The envisaged construction tender date is January 2026, follow by the construction start date in September 2026. The envisaged construction end date is September 2030. 24.98 km of Access Roads will be constructed. The Access Management Plan has been submitted to the PLC. The Property Report for the land acquisition and relocations was received and approved on 20 September 2024. The relocations are to be bundled with the main contract. The complete survey was received in December 2024. The final factual report on the Geotechnical Investigations was received on 29 November 2024. An EAP was appointed for additional approvals. The submission of the design information to SANRAL's Property Service Provider (PSP) for land acquisition purposes was received on 20 September 2024. The submission of the draft detailed Design Report including Structures, Drainage and Geotechnical Reports is expected by 27 June 2025.

Several community development projects are completed under work package 7:

- **Mdatya:** an access road is to be upgraded to surfaced standard and ties in with the future interchange under work package 7. The access road services 2 schools and tourist activities for approximately 6km. The budget for the project has recently been approved. The envisaged start date is April 2026.
- **Vulindlela to Sirhasheni:** an access road is to be upgraded from gravel to surfaced standard for approximately 10kms. The budget for the project has recently been approved. The envisaged start date is April 2026.
- **Mahaha from Mngungu Clinic to Kulumbe Interchange:** an access road is to be upgraded from gravel to surfaced standard for approximately 10.4kms. A proposal will be submitted to Bid Specification Committee (BSC) for approval.
- **Mzamba from Seaview to Lucingweni/Mzamba Mouth:** an access road is to be upgraded from gravel to surfaced standard for approximately 2.54kms. The budget for the project was recently approved. The envisaged start date is April 2026.

#### 2.4 N2WCR Legacy Projects

SANRAL provided an update on various legacy projects that was started as part of the Wild Coast construction projects. The following projects commenced under work package 4:

- In-depth Asset Based Community Development (ABCD) mapping, assessment of development challenges and potential impacts and business development opportunities;
- Training of community champions;
- Purchase of Tools and Equipment;
- Community training;
- Employment of staff and the establishment of Wow-biz centres in Lambasi and Wellem as well as Wow-biz TTEs appointed and running Wow-biz from home. A high-level bankable Business Plan was also developed.

A Business plan was submitted to the Industrial Development Corporation (IDC) to lobby funding for these projects under package 4 and was approved by the IDC in August 2023. Social Employment funding was implemented well and the program had a positive impact in package 4 and created social cohesion and a conducive environment within the area.

#### **2.4.1 IDC funded legacy project: Phase 1 Small Enterprise Foundation (SEF)**

A Legacy project was implemented in 14 villages under Lambasi and Wellem traditional councils. 1 108 people (110 youth supervisors and 998 General workers) were employed in various economic sectors such as agriculture, tourism, digital inclusion, gender based violence, community safety, health care, public arts, greening and environment. The average net wages were approximately R3 996.00 per month.

#### **2.4.2 Grow the Growers**

The programme aims to develop small scale farmers to be self-sustainable during the N2 wild coast development and beyond.

14 Villages participated under package 4 (Lambasi and Wellem Traditional councils). 1110 people were employed. Training and development were provided to 1000 subsistence growers. The mentorship was done by Zutari, through Wild Coast foods. 28 Shade nets/hydroponics were established, as well as 28 tanks for manual irrigation. Tools and equipment were supplied (pipes and taps) by Sevenoaks Spar and Boxer in Lusikisiki with the support of Aggregator. Through this project these beneficiaries participate in Agri days and flea markets, and they supply locals as well as contractors that work on site.

Small scale growers were supported with inputs by Department of Rural Development and Agrarian Reform (DRDAR) to the value of R7 million.

#### **2.4.3 Port St Johns Wild Coast Legacy Projects**

As part of the skills development project, 167 candidates were registered with Agri-SETA for the skills development programme. With regard to learnerships, 390 candidates were registered for training under services SETA and Agri SETA. Under the ABCD project, 280 ABCD non-accredited training under 23 community champions were completed in March 2025. Under mentorship and certification, 80 participants for mentorship under webpage design and markets were received. There were also mentorships under Agri-SETA, Services SETA and Fibre Processing and Manufacturing SETA. Overall, there were 860 participants in the program. The programmes assisted with stability in Port St Johns packages 1 and 2, created social cohesion and there was confirmation from PLC that there was a reduction in crime, drug and alcohol abuse during the festive period due to these programmes.

There is also a project focused on Port St Johns emergency services Site 1: Xesi N2 Section 19 km 56.0 to km 58.94; Site 2: Ntsimbini N2 Section 19 km 62.02 to km 64.78; Site 3: Isinuka R61 Section 8 km 2.00 to km 5.00; Site 4: Second Beach Road in Port St Johns (100m either side of intersection opposite failure; Gomolo Alternative route from intersection at km 53.6 (N2 Section 19) and km 59.0 (N2 Section 19), and the Ladume Alternative route. The contract starts where the road intersects the R61 Section 8, right hand side at approximately km 1.0 and ends where it intersects with Second beach road in Port St Johns. The construction start date was 15 August 2023 and the estimated end date is 30 October 2025. In this project 144 labour employees were used, of which 128 were female, 172 people were trained and 64 SMMEs were appointed.

## **2.5 Provincial Roads transferred to SANRAL**

The Committee received a breakdown of the Eastern Cape Provincial Roads that were transferred to SANRAL. These roads are:

### **Proclaimed as National Roads on 05 August 2022:**

- DR08004 and DR08005 from Tombo to Port St Johns to Mzamba (180 km).
- DR08012 from Maluti to Qachas Nek (23 km) – gravel.
- DR08031 and DR18031 from Viedgesville to Coffee Bay (76 km).

- MR00710 from R61 to R56-Stan's Nek (41 km)

**Proclaimed as National Roads on 26 February 2025:**

- R334 Section 3 (MR521): Lewiswood to Great Fish River (30.2km) - ADM
- R343 Section 2 (DR2039, DR12093, DR2071): R67 – Debe Nek (78.2km) – SBDM/ADM.
- R352 Section 1 (MR700): Debe Nek – Keiskammahoek (19.80km) – ADM
- R352 Section 2 (MR700): Keiskammahoek – Stutterheim (38.60km) - ADM
- R345 Section 3 (MR699): R63 – Hogsback (33.84km) – ADM.
- R347 Section 2 (MR504): R72 – East London (11.86km) – BCMM.
- R393 Section 2 (DR8560): Palmietfontein – Telle Bridge Border Post (3.03km) – JGDM
- R392 Section 3 (MR838): R58 – DR 8560 (44.4km) – JGDM
- R394 Section 1 (DR8120&DR8121): N2 (N2WCTH) – Bizana (59.10km) ANDM
- R394 Section 3(DR8015): Mt Frere – R56 (87.30 km) - ANDM.
- R396 Section 1 (DR8551-MR708): Hali No.2 – Indwe (23.91km) – CHDM
- R409 Section 1 (DR8001): R61 - Tsomo (6.00 km) – CHDM
- R413 Section 1 (DR8034): N2 – R61 (41.50km) – ADM
- R726 Section 1 (DR8560): Palmietfontein – DR8605 (18.77km)

SANRAL is liaising with the Eastern Cape Department of Transport regarding the existing service providers and designs in place. The entity will utilise National Treasury urgency provisions to extend existing or appoint new contractors to maintain roads pending long term contracts.

## **2.6 Key Challenges: Business Stakeholders**

The entity said that they were faced with the following key challenges while implementing the project. Local SMMEs and Business lack technical capacity and access to financing or high

financing/credit costs. The financing and cash-flow limits ability of the business stakeholders to grow and develop. The lack of access to financing limits opportunities, e.g. quarries, plant, etc. The entity indicated that there was mistrust between rival local factions and businesses. Other challenges were interference with procurement processes (CPG) and understanding of "Locality", an expectation of excessive "developmental" cost impacts vs cost of project and SANRAL and contractors are pressured to not appoint bidders that previously won bids.

As part of the key interventions, SANRAL started community development projects to train and develop SMMEs. Tender training is provided on various platforms to assist SMMEs to tender. Subcontracting (2nd tier) utilizes "locality" as a major component of functionality. Funding support is provided for truck and Plant/Black industrialist program. SEDA O.R. Tambo work closely with SANRAL to support SMMEs in the Wild Coast. SANRAL collaborated with BELL and Banks (Standard Bank and FNB) to support truck Plant suppliers.

SANRAL informed the Committee that opponents of the proposed Xolobeni Heavy Metals Mine created and sustain negative media coverage due to the perceived link between the N2WC Road and the mining project. Local Communities and stakeholder protests stopped the Mtentu River Bridge project and there were expectations and/or demands for jobs and opportunities, even where skills and/or capacity lacked. The impatience from local authorities and communities led to protests.

Key interventions to deal with these issues were indicated as the Eastern Cape Wild Coast (POC) assisting to resolve stakeholder challenges in the Amidiba area and that SANRAL's media team engages extensively with the media to facilitate a balanced and fair reporting to the mainstream media. The support from national and provincial level to resolve ACC challenges and funding support for training and development also assisted as interventions.

## **2.7 Site visits on 25 and 26 March 2025**

On 25 March 2025 the Committee visited the pier 1 construction site on the north-side of the Mtentu River Bridge. The walkabout was followed by a visit to the lab where SANRAL conducts concrete testing.

On 26 March 2025 the Committee received a briefing overview of the Msikaba River Bridge project. In this presentation more details were given on the deck construction sequence as the first deck segment launched a week prior to the Committee oversight visit. Decks are produced in Witbank and transported to the construction site for assembly and fitting which contribute to delays in moving these massive steel structures which adds delays to the estimated finalisation time. A total of 17 deck segments will be used in the construction of the bridge. The Committee visited the north side of the bridge as well as seeing other smaller bridge construction sites and culvert infrastructure along the drive from the different sites. The Committee also visited the construction worker village and saw one of the Community Development projects where beneficiaries are trained in culinary skills and to achieve junior chef status.

## **2.8 SANRAL Observations and Recommendations**

### **2.8.1 Observations**

The Committee made the following observations:

2.8.1.1 The Committee noted that the R61 road used to travel to both bridge sites needs serious maintenance and repair for both potholes as well as improved road signage to warn of speed bumps.

2.8.1.2 SANRAL was commended for the work done so far on the project as the implementation had not been without its challenges, however, further detail was required on the implications of the projects should it exceed its timelines and budget.

2.8.1.3 Concerns were noted with regard to how the project is impacted by cable imports as well as steel supplies and how these challenges could also impact the completion date of the projects as well as the final budget spent.

2.8.1.4 The Committee noted the community development projects as part of the “beyond roads” approach of SANRAL and the extensive consultation with the local communities. It was noted that SANRAL was doing well in its engagements with communities, but business forums and council committees should assist in resolving disputes. SANRAL, and these projects, could serve as model examples of how to manage projects with extensive community involvement and development so that projects are not delayed in future with undue community unrest.

2.8.1.5 SANRAL was asked to identify any legislative challenges which may have impeded local contracting processes.

2.8.1.6 The Committee noted that some communities took advantage of the relocation project and enquired on the norms and standards applied in determining the relocations, whether the Department of Human Settlements were consulted on it, and on possible cost recovery for SANRAL for the relocations.

2.8.1.7 The Committee noted the remnants of equipment at and near the construction site of the previous contractor and enquired from SANRAL on the plans in place regarding these. Further information was requested on the litigation with the previous contractor and whether SANRAL has contracted with the same company on other projects.

2.8.1.8 Clarity was needed in presentations on percentage beneficiation by SMMEs as well as local subcontractors and what the extent was of engagements with contractors.

2.8.1.9 The Committee was of the view that the prefabricated site office could be used as a legacy project for the benefit of the community once the construction was finalised.

2.8.1.10 SANRAL was asked to clarify whether work is done with former soldiers or veterans and whether they benefit from these projects.

2.8.1.11 The Committee noted the impact of external factors on the estimated completion dates of the bridge projects visited during the oversight.

2.8.1.12 The Committee noted that the Msikaba Bridge project alone uses 900km of cables and 4000 tons of steel in its construction. These products rely heavily on imports as well as long distance road transport to move the steel products from Witbank to the construction site.

## **2.8.2 Recommendations**

The Committee made the following recommendations after the engagement with the SANRAL Board and EXCO, and the site visits. The Minister of Transport must ensure that SANRAL:

2.8.2.1 Submits quarterly reports to the Committee on progress made on the entire N2WCR project including specifics for the 2 mega bridge projects of Mtentu and Msikaba as well as the progress for the interlinking bridges, culverts and access roads;

2.8.2.2 Submits quarterly reports to the Committee on progress made on all Community Development Projects linked to the N2WCR project;

2.8.2.3 Submits quarterly reports to the Committee on challenges linked to the N2WCR project as well as mitigation measures taken to resolve these challenges;

2.8.2.4 Submits quarterly reports to the Committee on any litigation challenges linked to the N2WCR project;

2.8.2.5 Submits copies to the Committee of the travel demand study, projected traffic volumes and projected revenue generation for the N2 Wild Coast Road to justify the proposed tolling on this route given concerns raised regarding affordability of toll fees in such an economically depressed region;

2.8.2.6 Submits copies to the Committee of the proposed maintenance plan for the new road network being created as part of this vitally important project as well as quarterly updates on progress made on these routes; and

2.8.2.7 Ensure that SANRAL consider alternative procurement methods rather than sticking to conventional ways if it wants this project to be a real intervention which serves as a catalyst for development and facilitate meaningful participation by communities in Pondoland and the broader Eastern Cape communities;

### **3. Oversight visits to Transnet**

#### **3.1 Oversight visits to Port of Richards Bay**

The Committee conducted an oversight visit to the Port of Richards Bay on 27 March 2025. Before the site visits the Committee met with the Transnet Executives for a briefing on the port operations. What follows is a summary of the information presented to the Committee.

##### **3.1.1 Transnet National Ports Authority (TNPA)**

The TNPA Executives presented an overview of the Port's Business and Performance, Port Infrastructure, the Port Development Initiatives and Port Master Plan. The Port is a dry bulk port serving Northern KwaZulu-Natal, Gauteng and Mpumalanga and as the largest exporter of coal in South Africa, the port handles approximately 54% of the country's total dry bulk

cargo demand. The port also has facilities to move break bulk, liquid bulk, containers and plans in place to improve cruise liner port services.

The total area is currently 3 773 ha with a projected future expansion to 5 461 ha. The port has 22 berths of which 7 are for dry bulk, 7 for break bulk, 2 for liquid bulk and 6 for coal bulk. The Maritime Fleet consists of 5 tugs, 1 pilot boat, 1 work boat and 2 pilot helicopters. An overview was provided of the port's current and future capacity, licensed operators, key performance indicators of the waterside value chain and operational performance for the 2024/25 financial year.

A breakdown was given of the volumes performance compared to the possible capacity at the port and truck volumes from the 2019/20 financial year to the 2024/25 financial year. Data linked to the truck volumes represented long distance trucks and excluded harbour bound industries. There was a sharp increase between 2021/22 and 23/24 of truck volumes which was influenced by the East Europe conflict and demand for coal export as alternative energy source. Transnet Port Terminals (TPT) over the same period allocated additional export capacity due to access demand, however the port and its terminal infrastructure is not adequately equipped to service road transport. In 2023, the Presidential interventions assisted in an increase in rail capacity allocation for coal exports. Truck stop interventions with the municipality are assisting in better and efficient truck management. The damage to infrastructure (Roads) for Transnet operational areas (port common roads and terminal roads) are currently under repair.

The Executives gave an update on the contribution of external road infrastructure and port infrastructure to congestion and the interventions for better and efficient truck management as well as on the road rehabilitation projects planned from June 2024 to December 2029. An overview was provided of the Port of Richards Bay Masterplan and the status of the capacity creation initiatives/projects. The presentation also covered the capital investment for enabling growth initiatives at the port with a CAPEX performance summary. The Executive also indicated the status of the 100-day initiatives committed to the Minister, noting that the environmental risk plan and mitigation response to KZN EDTEA was still ongoing.

### **3.1.2 Transnet Port Terminals (TPT)**

The TPT Executives provided an overview of the Terminal Performance and the Project and Intervention Progress Update. Per the supply chain overview of the movement of dry bulk from dry bulk mining operations to dry bulk vessels at the port, TPT indicated that the modal split at the port was 5% via conveyor belt, 70% by trucking and 25% by rail. Statistics were also provided on the road versus rail split of the movement of chrome and coal.

An update was provided on the conveyor belt fire at the Richards Bay Terminals which took place on 6 and 13 October 2021 at the New Wagon Loading Station (NWLS), G02, H00, H01, V01, V02, H02, H03, H05, H06 and U03 galleries and transfer houses which caused catastrophic failure and fire damages. The Committee was briefed on the status of the conveyor belt reconstruction as well as the road rehabilitation of 8 approved roads in and around the port. The road rehabilitation project start date was 19 March 2025 and the projected end date is 31 July 2025.

An update was provided of the status of Transnet Port Terminal Initiatives and community initiatives.

### **3.1.3 Transnet Rail Infrastructure Manager (TRIM) (Eastern Region)**

The TRIM Executives provided an overview of the Eastern Region Road map, the North and North-East corridors network status, and the Coal BU and MMC BU Slot overviews.

A breakdown was provided of the following TRIM Targeted Expansion Initiative projects:

- The Mmamabula - Lephalale rail link line (Botswana link) would be completed by December 2028. It would increase the volume to an additional 6mtpa coal volume in the first 10 years.
- The Waterberg Revised Stage 2 – 3 would be completed by December 2025. This would increase capacity from 2.6mtpa to 13.8mtpa for export coal.
- The Coal 81mtpa power upgrades AC, yard and the line, which would be completed by December 2026 and would increase capacity from 71mtpa to 81mtpa for coal.
- The Eswatini Rail Link Program is to be completed by July 2030. This would move 12.21mtpa general freight bulk (GFB) such as chrome and ferrochrome.

- A feasibility study will be conducted by a consultant for the Carolina to Ermelo line. The timelines are still to be defined. This line would increase capacity by 4mtpa of export coal.
- A feasibility study is completed for Canyon Coal. Construction will be completed in March 2026. The increase in volume would be an additional 5mtpa domestic coal.
- A pre-feasibility study has started for the doubling of single lines in the Gauteng Freight Ring. The completion date is still to be determined.

TRIM further presented key focus areas to address network availability and reliability, covering the APEX KPI, challenges linked thereto, action being taken or planned and estimated due dates. Further thereto, they presented on the North and North-East corridors' key project benefits per quarter.

### **3.1.4 Transnet Freight Rail (TFR)**

The TFR Executive gave an overview of the operations on the North Corridor. The TFR North Corridor handles roughly 40% of total TFR volumes, generates 37% of TFR revenue and supports critical markets that contribute approximately 3% of South Africa's GDP. The commodities railed include export coal (200/208/312 jumbo-wagon trains), chrome (75/150 wagon trains), Eskom coal, other GFB coal, chemicals and other high-value mineral commodities. The most prominent line section of the TFR North Corridor is the heavy haul export line between Ermelo and Richards Bay. Six objectives and focus areas was listed for this corridor to succeed as follows:

- i. Reinstatement of the Signalling system on the Coal line.
- ii. Improve Safety performance, reduction in running line derailments.
- iii. Locomotive availability and reliability improvements. Components for CRRC locomotives.
- iv. Improve operational efficiencies through multi-skilling of train crews, re-instating countdown process, improving processing time in the yards, and reducing shift change delays in all the depots.
- v. Reduction in volume loss due to security Incidents.

- vi. Partnerships with Industry to expand heavy haul network to the coal-producing branch lines and other routes.

Rail operations on the export coal flow is dependent on the six capacity elements, i.e. slots capacity, wagons, locomotives, crew, yards and the Richards Bay Coal Terminal offloading. The Committee was told that the performance on export coal has largely been limited to the constraints on locomotive capacity. The performance improvement plan for export coal is therefore centred around improving this operational area. However, due to the elements being interlinked, a wholistic and systems approach is needed to stabilize and improve performance.

The coal line capacity is currently at 24 slots per day, while the ideal target is 29 slots per day. Capacity has been reduced due to non-operational signalling on the line and a high number of speed restrictions resulting in manual authorizations and high transit times. There is also a high maintenance backlog on the infrastructure assets. Wagons are under supplied for export coal and there are a high number of wagon wreckages due to the poor safety performance (frequent derailments). There is an under supply and unreliability of the locomotives and a high number of long-standing locomotives due to legal disputes with CRRC. The B-Fleet locomotives in full service are beyond the ideal retirement point. The capacity to crew 4x trains per window is still intact. The off-loading capacity is declared as per RBCT.

If the following measures are implemented, it should address the challenges:

- Key sections on the coal line are undergoing re-signalling such as the section between uMunywana and eLubana. Security is increased to prevent theft and vandalism on the rail network assets, as the ailing condition of the network is partially due to theft and vandalism. There is a heightened focus on maintenance and effective utilisation through TRIM.
- Output of the maintenance workshops is improved to return repairable wrecked wagons back to service. There is step-in OEM assistance to return long-standing locos and MRSA for locomotive spares. 23Es are deployed into the North Corridor to improve the locomotive capacity. The B-Fleet locomotives are retired with the injection of the new fleet of 23Es.

- There is multi-skilling of crew to enable flexibility across different flows. Training is undertaken to enable driver qualification on the new 23E fleet. Capacity is improved at the Vryheid depot to support the running of trains on the Coal Line at a high tempo.

### 3.2 Overall Corridor Performance

The North Corridor has executed a total of 63,944mt against a budget of 67,382mt as in week 52 in the 2024/25 financial year. The corridor is therefore 5% behind budget with the highest tonnage deficit currently on the Export Coal Flow. Major challenges impacting performance in the corridor include locomotive availability and reliability, security incidents and rail network failures. As in week 51, the total volume losses due to these three issues amounted to 10.53mt.

The Executive presented the following regarding the Port Decongestion Ramp-up Plan, a 4-phase approach to ramp up coal flows:

**Phase A - Completed:** The first phase of the Port decongestion strategy was to ramp up from an average execution of 14 trains to an average of 25 trains per week. This was achieved through the injection of additional locomotives and an improvement of operational efficiencies. This resulted in the Corridor being able to remove an equivalent of 1,160 truckloads a week from the road, i.e. 165 truckloads per day.

**Phase B - Completed:** The second phase of the decongestion strategy will see a further ramp up to 32 trains per week. The final phase of the strategy will involve utilizing Back of Port facilities to absorb additional tonnages from roads within the Richards Bay area to rail and provide last mile shuttle services between Back of Ports and the Port. The ramp up of export coal to RBCT to 1,3mt will enable further reduction of trucks to the Port of Richards Bay.

**Phase C - Work-in-progress:** By March 2025, the corridor will ramp up from 32 trains per week to 35 trains per week, this will remove a further 194 truckloads off the road per week.

**Phase D - Work-in-progress:** This phase seeks to ensure the MPT coal ramp up reaches 28 trains per week. The MPT Ramp Up programme which is being implemented with the team from TPT has been officially registered within the list of projects. Two engagement sessions have already been held by the team.

### **3.3 Eskom CTS line – Coal Ramp Up Plan**

The Executive gave the background of the project and progress to date. Eskom has committed 10mtpa of coal to the Majuba PowerStation with a Commercial Agreement between Eskom and Transnet for the next 10 years. Eskom constructed the CTS Line to increase the throughput for Majuba PowerStation. Transnet has committed Class 20E locomotives and additional wagons to service Majuba flows and about 6 to 7 coal trains of 100 wagons will be railed to Majuba per day. The first production train is planned by mid-April 2025.

In terms of the project progress, the Majuba Yard and Corridor Operating Model has been revised and adopted. The training of 20E locomotives maintenance by Transnet Engineering has been completed. The Train Crew Theoretical Training has been completed while the practical training is in progress. A Risk Assessment has been conducted, and the register is being monitored. Engagements with the Railway Safety Regulator (RSR) are taking place frequently to keep the regulator informed. The CTS line has been tested with 20E locomotives to assess the compatibility between the Line Electrical system and the locomotives. There was no issue reported. The next tests on the line will be the On-the-Fly Testing, Signalling Testing and Line Stabilization.

### **3.4 Plans to address long standing locomotives and Corridor Attributes (Rolling Stock)**

Several initiatives are being undertaken to improve locomotive availability and reliability to drive volumes on the rail network which include the deployment of 23E new build locomotives to the Coal line; MCA assistance in procuring compressors for Coal line locos; Step-in OEM contracted to return CRRC locomotives to service; MRSA signed with OEMs for the supply of material and components and the deployment of TAL locomotives to the Ore line to support the 34D locomotives in feeding the Iron Ore tipplers. Timeframes and estimated budget requirements for the locomotive fleet plans to address long standing locomotives were also presented.

The presentation also covered the list of locomotive classes in operation and from which depot these are operating as well as the shortfall from each of these depots as at week 53/1 of operations.

### **3.5 Junior Coal Miners on the North Corridor**

There is a collaboration between Transnet, RBCT, DMRE, and Quattro Scheme administrator (U&G) on the RBCT service for Quattro members as a platform process intake of Junior Miners participating in Quattro scheme every 5 years term. The Quattro Scheme administrator is part of the strategic and tactical platforms in the operations management of the rail service to RBCT (CRT, COT and other ad-hoc forums). TFR went out on tender to identify Junior Miners that are going to rail through RBTG, Maputo and MPT and onboarded 20 new Junior Miners on 01 November 2024. Transnet also have collaborative platforms known as “Common User Forums” together with non RBCT port facilities (RBTG, Maputo and MPT, Grindrod) to incubate Junior Miners and manage the performance through those ports. While the TFR credit management requires that a customer must have credit facility backed by a bank guarantee, TFR has decided to make an accommodation in approving cash transactions for Junior Miners railings, thus reducing the burden of bank guarantees. To deal with loading infrastructure and siding access, Transnet went out on tender to acquire rail loading operators at Transnet siding in the North Corridor. This is to provide access to rail at loading facilities where Junior Miners do not have their infrastructure.

### **3.6 External Road Infrastructure**

An update was given to the Committee on the road infrastructure.

- N2 capacity: The low-capacity single carriageway off the N2 north of the R34 is a primary capacity constraint for heavy vehicles travelling to the Port.
- N2/R34 low-capacity interchange: The low-capacity diamond-interchange is a primary capacity constraint for heavy vehicles travelling to the Port.

- **John Ross Highway capacity:** The low-capacity signalised intersections are a secondary capacity constraint for heavy vehicles travelling to the Port.
- **R619 future access route:** The upgrade of the R619 is planned by City and KwaZulu-Natal Department of Transport, however, the implementation timeframes and funding source cannot be confirmed.
- **Staging areas:** The “temporary” staging of heavy vehicles along the N2 and John Ross Highway is highly obstructive to the local traffic and surrounding properties. This should be mitigated as a matter of urgency.

### 3.7 Site visit at Port of Richards Bay

After the briefing, Members proceeded to the site visits at the port which included sight of the TNPA truck staging area, the work done by TFR 2279, a drive past the Bulk Tanker Terminals (BTT) and sites for future proposed development, as well as a site visit to the facilities and operations of Richards Bay Coal Terminal (RBCT).

## 4. Oversight Visit to the Port of Durban

The Committee met with the Transnet EXCO at the Port of Durban for a briefing on the Durban Port operations and on the port access road repairs following floods. The briefing was followed up by site visits at the port. The Port of Durban handles approximately 60% of the country’s container traffic, which includes dry bulk, liquid bulk, automotive and break bulk. The port further has facilities for local fishing, ship-repair, cruise liner vessels and recreational boating.

During the engagements the Executives provided an overview of the key success, challenges, implementation barriers and planned actions of the GCOO War room and Operational Excellence Centres.

The constraints on the restoration of the rail network were highlighted as follows:

- **Available funding:** There was insufficient affordable (sustainable) funding.

- **Maintenance Access to Track and Equipment:** Business needs to continue with increased volume targets and balancing between catching up on the backlog and still moving volumes, especially on bulk corridors.
- **On Track Machines:** A limited number of equipment was available for the whole South African rail network. The Cape gauge limits the use of second-hand machines. Few contracts were in place and the lead time for new equipment was long.
- **Procurement of material, spares and support:** SOE procurement processes are governed by the PFMA, typically resulting in inflexibility and longer timelines. Most long-term OTM tenders are cancelled after they were open for more than 800 days.
- **Suppliers' ability to deliver material:** Limits to supply exist and cannot be significantly increased over short periods.
- **Material logistics:** Existing wagons require refurbishment. New wagons are needed. Sleepers, rails and ballast are mostly distributed by rail wagons as road transport was not feasible and/or expensive.
- **Rails, Turnouts, Transformers, etc.:** The lead times are long since the equipment is mostly imported. Some local assembly and/or welding on certain items are required.

#### 4.1 Ore Corridor Restoration (OCR) Programme

The Executives briefed the Committee on the progress on the OCR Scope and Execution plan alignment. Transnet indicated that collaborative working across all ODs in conjunction with the OUF was bearing fruit and the sharing of technical ideas resulted in optimized scope identification and prioritization with the key focus being overall corridor improvement. The Executives indicated that the aspects that required further analysis were:

- Aspects to accelerate Transnet's restoration plans namely: availability of additional On-Track Machines; optimisation of rail offloading, welding and transport to site; optimisation of ballast supply and delivery to site; OUF assistance on the annual shut under assessment; and rolling stock maintenance ramp up capacity (staffing, workshop equipment, spares);
- 15E recovery from L12 and possible combination with Tippler occupation windows for minimal disruption to train service;

- GPR survey to inform potential formation damage and confirm ballast quantities in track;
- The Saldanha yard reconfiguration to ease wagon NTG card-offs with minimal impact on operations; and
- Finalise, validate and alignment of overall corridor benefits of the OCR.

The Executives from Containers (Port and Rail), TPT (Automotive, Bulk and break Bulk) and Transnet Engineering briefed the Committee on their respective key success, challenges, implementation barriers and planned actions.

#### **4.2 Chief Harbour master projects**

TNPA outlined its key success, challenges, implementation barriers and planned actions. The pilot boat Lufafa and tugboats Pholela and Uthukela were restored for the Port of Durban. The truck staging areas for the Port of Durban were operational. The challenges included the unreliable helicopter services, delays in installation of an ASD tug training simulator, weather delays impacting vessel berthing and sailing, and continuous running breakdowns that continue to impact operations and vessel productivity. The dry dock availability is a challenge for the crafts, hence the impact on availability of crafts. Plans are in place to commission and operationalize a 6th tug (by June 2025) in the Port of Durban.

#### **4.3 Transnet Pipelines (TPL) (Fuel)**

The Executive outlined the key success, challenges, implementation barriers and planned actions for Transnet Pipelines. Production challenges were experienced at the inland refineries, including a fire at the Natref refinery that resulted in no crude volume for 6.5 weeks. There has been a decline in the demand for refined fuel. The decrease in demand has been attributed to slow economic growth rates, reduction in loadshedding which impacts diesel demand, and a general transition towards more fuel-efficient vehicles and cleaner energy. Transnet indicated that the Botswana government announced that 90% of the country's fuel must be supplied by

Botswana Oil. This impacted customers who were supplying their forecourts in Botswana from the Waltloo and Langlaagte depots. Non-compliance of export customers with SARS requirements had resulted in Transnet Pipelines suspending all export activities from Tarlton in May 2024. A market demand study is in progress to understand the cause of the declining volumes and to come up with recommendations. Engagement with SARS is ongoing to resolve the non-compliance issues at Tarlton in order to resume exports to Botswana. Transnet Pipelines informed the Committee that it would focus on the further reduction in safety incidents and the implementation of equipment lifecycle management. The Committee was given an overview of strategic initiatives and progress to date. The overall performance showed challenges as well as initiatives that were on track with only one initiative having been completed linked to the coastal jet fuel volume targets having been exceeded. On the issue of pipeline repair timeframes and theft from pipelines, it was indicated that an illegal fitting was discovered on the JMP-ALR 16” line. The incident was repaired within the target of 32 hours. There was no production interruption as the line was on a planned shutdown when the incident happened.

#### **4.4 Group Safety and Security**

Transnet briefed the Committee on the Group Safety and Group Security key successes, challenges, implementation barriers and planned actions. Regarding security matters linked to local business forums, there were continued incidents of local business forum protests and repetitive business disruption by gathering of communities, who are often seeking business opportunities, in corridors and ports. Transnet officials indicated to the Committee that, while some forums were genuine, there's indicators of mafia style intimidation, illegal occupation of buildings and extortion. Transnet implemented Business Continuity plans, but this was not sustainable, and a long-term strategy was needed. Transnet indicated that it had not yet developed an understanding of how to manage Local Business Forums and that these challenges could not be resolved by Transnet Security in isolation as the entity was highly dependent on SAPS. The Executives highlighted the personnel safety concerns faced by some of their employees.

Support was required from the NLCC for funding to support the execution of the NLCC WS7 Operational Plan, alignment of resource deployment between National Law Enforcement

Structures and Provincial Law Enforcement Structures was need and for a multi-disciplinary team to attend to the business forum issues.

#### **4.5 Operations Excellence War Room**

The Committee was provided with an overview of the weekly operations excellence war room's purpose, participants and key project status. The role of the war room is to review performance, deal with barriers to performance, provide resources, problem solve escalated problems, set and review targets, set priorities, manage change, provide visible leadership and recognise and reward great performance. An update was given of the Iron Ore, Coal and Manganese value chains and project activities dashboards.

#### **4.6 Site visit at Port of Durban**

After the briefing Members proceeded to the site visits at pier 1 and 2 and the Transnet Engineering workshop where the TAL 23E locomotives are assembled.

On the drive around the port the Committee noted that Bayhead Road and Langeberg Road were in a poor state and in need of repairs. At the time of the visit, another access road to Pier 2 was flooded, requiring the Committee to use an alternative access road to the meeting venue.

### **5. Transnet Observations and Recommendations**

#### **5.1 Observations at Port of Richards Bay**

The members made the following observations at the port:

- The master plan provides a long-term demand focus on the port driving its own investment. The plans from TRIM and TFR focused more on future plans than the actual current execution. The entity must be clear on the details of its projects that seek to provide solutions and improve performance on all of its divisions.

- Plans linked to private sector participation to increase capacity and attract investment must be clarified to indicate what commitments had been made thus far.
- The implementation of environmental compliance practices and accountability was noted but the briefing was not clear on the long-term measures in place to ensure that future compliance was achieved and penalties avoided.
- The step-in OEM to return long standing locomotives was noted, but clarity was needed on which OEMs were identified to achieve this.
- Manual authorisation was an ongoing problem and signalling on the lines must be remedied.
- Progress on dealing with truck volumes were noted, however, the Committee remained of the view that more should be done to limit long waiting times for trucks which impede traffic flow.
- The restoration projects budgeted for the next 3 years were noted but no information was presented on the measures that would be in place to protect the restored infrastructure and on the consideration of private sector participation to secure the infrastructure.
- The capacity on the automated conveyor system was too low and information was requested from the entity on how improvements to the system would alleviate congestion caused by truck transport.
- During a discussion on the Port Master Plans in Richards Bay and with the Transnet Group Executives regarding the strategic role of the entity as a State-Owned Enterprise, which includes ensuring security of supply, especially in respect of energy and petrochemical products, concerns were raised with Transnet's drive to secure private sector investors in our ports environment and redesigning ports for this purpose. A view was stated that Transnet seemed to be neglecting a critical part of its role to ensure that through Transnet National Ports Authority it retains ownership and control of strategic port terminals and storage facilities which are of strategic significance to the country and advance our national interest.
- Concerns were raised by members of the Committee with the marginalisation of local and/or black businesses when Transnet strengthens its work with OEMs. It was made clear this was unacceptable.

- It was also observed that with the supply of new port equipment by OEMs, Transnet appears to be scrapping assets prematurely or before the end of their design-life. Repairs or refurbishment of equipment seem no longer important.

## 5.2 Observations at Port of Durban

- The establishment of the War Room approach was welcomed by the Committee as it allowed for quick decisions and coordinated efforts to address critical issues.
- The entity was asked whether it has calculations to indicate unit costing to see what it costs to transport freight for each mode over the same distance and how the infrastructure used to transport freight by has affected the unit costing over time.
- The entity was advised to improve on its asset replacement plan and ensure that sufficient spares and equipment was available in order to prevent procurement delays from impacting operations.
- The move to digitisation and IT driven data analytics would show inefficiencies faster than a human based system and allow for real time operation progress to be monitored. Along with this, the entity must ensure that it has suitable cyber security plans in place.
- The Committee welcomed the strides made by Transnet to ensure that incoming vessels could all berth at the port and further indicated that the entity should improve communication on its improvements and achievements.
- Members expressed concern about the instances of theft from the pipeline and highlighted the need to have a system in place that could timeously detect leaks or unauthorised access to the pipelines.
- The engagement with SARS was noted as it would be in Transnet interest to resolve.
- The filling of the vacancies of the Executive positions were welcomed.
- Having noted the number of long-standing locomotives the Committee indicated that Transnet should ensure spare availability. The Board was urged to reconsider the current delegation of authority and find ways to improve thereon and ensure that appropriate sub-delegation is implemented where needed as this would assist in movement of trains and it would give workshop management authority to take decisions faster to repair these issues along problematic lines.
- Community involvement in projects, along operational corridors and near Transnet facilities would assist greatly in reducing safety incidents as highlighted in the oversight

visit in Gauteng as well. The entity was advised to consider the approach used by SANRAL regarding community engagements and community development projects.

- Questions that were still not answered from the previous oversight visit must be responded to by the entity in writing.
- The reduction in investment in research and development at Transnet Engineering remained a concern.
- The expenditure on legal costs of disputed contract was noted as leakages in the entity's finance that should be addressed.
- The entity should learn from past failures that caused port backlogs both on land and ocean side and ensure that these issues are not repeated.

### **5.3 Recommendations**

The Committee made the following recommendations after the engagement with the Transnet Board and EXCO, and the site visits. The Minister of Transport must ensure that Transnet:

5.3.1 engages with National Treasury, Department of Trade, Industry and Competition and the Department of Economic Development, to address the policy and legislative impediments that are hindering SOEs from advancing developmental objectives;

5.3.2 engages the relevant cities and Provincial Governments through whose jurisdiction the rail infrastructure runs to involve them in investing in the rail network within their jurisdictions as well as finding ways to work with them to eliminate the security threats to the rail infrastructure and rail service operations within their jurisdictions;

5.3.3 avoids job losses in the reforms that will be implemented at Transnet;

5.3.4 creates an inter-departmental freight unit within the various port cities where TNPA operates that can bundle expertise and act as a one-stop shop for freight-related issues in the cities. This unit could act as a vehicle to improve coordination on freight transport and engage in joint planning, aligning various actors including Transnet, SANRAL, the national and provincial departments of Transportation and the various departments within the cities;

5.3.5 increases the autonomy of TNPA and streamline decision-making procedures within Transnet. This includes more financial autonomy, e.g. by creating a separate fund at the disposal for TNPA for port infrastructure and maintenance;

5.3.6 focuses on the performance of the whole business value chain, as too much focus seems to be on one indicator (e.g. crane productivity) without much consideration for (and sometimes even at the detriment of) other indicators;

5.3.7 undertakes a comprehensive environmental port impact study and implements green-port mitigation policies if necessary for all TNPA operated ports;

5.3.8 institutes arbitration or legal proceedings against companies who failed to deliver on their commitments from contracts with Transnet;

5.3.9 improves efficiencies, economy and effectiveness in the supply chain management process of all of its divisions;

5.3.10 increases efforts to secure the pipeline from fuel theft by improving governance structures through stakeholder engagement with JCPS cluster to protect revenue loss from TPL;

5.3.11 ensures that the copper theft initiatives and prevention of illegal connections initiatives are put in place as it is a challenge in the rail network and ensures that this should be done in conjunction with law enforcement agencies;

5.3.12 ensure that all of the Port Managers establish a stakeholder forum which should include representatives of organised labour, business and each of the port cities in order to address all the concerns that have been raised in this report. The TNPA should send a quarterly report to the Committee on progress made with resolving the issues raised;

5.3.13 ensure that the Ports of Richards Bay and Durban specifically improve its developmental role through robust outreach programmes to communities and schools, and a deliberate effort should be made to visit, recruit and develop young people from rural and farm communities. Furthermore, investments should be channelled towards developing disadvantaged and marginalised communities;

5.3.14 ensure that the contractors working at the Ports of Richards Bay and Durban use local suppliers as sub-contractors and pay them on time;

5.3.15 ensure that the management of all the TNPA ports, TFR and TRIM corridors and TP consult and communicate with civil society, local business and organised labour on a regular basis in order to ensure their co-operation with Transnet towards securing its infrastructure and that Transnet can meet NDP goals that are linked to infrastructure projects;

5.3.16 ensure that the management of its divisions develop a corporate social investment programme that will focus on advancing the developmental objectives of government, such as providing skills development and bursary opportunities for young people in the community and improve the socio-economic conditions of the adjacent communities;

5.3.17 ensure that the economy, efficiency, and effectiveness of all Transnet operations are enhanced through setting of clear timelines within which to achieve its turnaround plan targets and submit quarterly reports to the Committee on progress made in this regard; and

5.3.18 ensures that there are detailed timelines and budget in addressing the recommendations.

**Report to be considered.**

### **3. Report of the Portfolio Committee on Human Settlements on Budget Vote 33: Human Settlements, and on the Strategic Plan for the coming Medium Term Expenditure Framework (MTEF) period and Annual Performance Plan 2025/26, Dated 26 June 2025**

The Portfolio Committee on Human Settlements (later referred to as the Committee), having considered Budget Vote 33: Human Settlements, strategic plans for the MTEF period and the annual performance plans of the Department of Human Settlements (later referred to as the Department) and its entities, referred to it, reports as follows:

#### **1. Introduction**

The Constitution of the Republic of South Africa (1996) places an obligation on the State to provide access to adequate housing to its citizens. As the custodian of the housing sector, the Department derives its core mandate and responsibilities from section 3 of the Housing Act (1997), which allows the Department, in collaboration with provinces and municipalities, to establish and facilitate a sustainable national housing development process. The Department does this by determining the national policy, national norms and standards for housing and human settlements development, setting broad national housing delivery goals, and monitoring the financial and non-financial performance of provinces and municipalities against these goals, building the capacity of provinces and municipalities and promoting consultation with all the stakeholders in the housing delivery chain, including civil society and the private sector.

To ensure the progressive realization of its mandate and the goal of sustainable and integrated human settlements, the Department has subsequently developed strategies, policies and programmes. The comprehensive plan for the development of sustainable human settlements, approved in 2004 and the revised Housing Code, published in 2009, mark a conceptual shift away from the mandate of providing shelter, to supporting the residential property market. The Housing Code allows for access to housing and services for low-income families and ensures greater choice in quality, location and ownership. Subsequently, chapter eight of the National Development Plan (NDP) provides a roadmap for the achievement of sustainable human settlements in South Africa by 2030. Consequently, the Department has strategically aligned its plans with the NDP.

## **2. Policy imperatives**

### **2.1 National Development Plan**

Chapter 8 of the NDP focuses on transforming human settlements and the national space economy. The NDP states that by 2050, South Africa's human settlements would have transformed into equitable and efficient spaces with citizens living in close proximity to work and having access to social facilities and essential infrastructure. It also envisages that by 2030, measurable progress towards breaking apartheid spatial patterns would have been made. The Department is, therefore, responsible for addressing the issue of transformation in the housing sector and ensuring that the fractured housing and land markets are addressed. The national strategy for spatial transformation is, according to the NDP, guided by the need to:

- Respond systematically over time to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency.
- Implement strategically chosen catalytic interventions to achieve spatial transformation in a manner that supports locally driven spatial governance.

- Achieve a creative balance between spatial equity, economic competitiveness and environmental sustainability.
- Expand personal freedoms by providing residents of South Africa with a greater choice of where to live.
- Support individuals, communities and the private sector in engaging with the state on the future of spaces and settlements where they live and work while streamlining processes to enable local governments to implement strategic spatial interventions.

## 2.2 Medium-Term Development Plan 2024 -2029

The MTDP 2024-2029 is a medium-term plan to systemically achieve the overarching vision of the NDP, as it has identified the following key, interrelated outcomes to be achieved in respect to the spatial transformation, which are the:

- Well located social housing and associated services.
- Development of more peripheral areas by land release and infrastructure service provision.
- Support of the larger intervention programme for related intervention to address the backlog of title deeds for subsidised housing, thereby turning homes into household assets.
- Review of land-use, building and other regulations to enable low-cost property development.
- Increased access to adequate housing through various programmes.
- Development of liveable neighbourhoods in both rural and urban environments to achieve spatial transformation.

## 2.3 State-of-the-Nation Address (SONA) 2025

SONA 2025 references the human settlements sector in three respects, namely:

- Infrastructure projects: This includes the Infrastructure Fund's R100 billion allocations from the fiscus over 10 years. To date, 34 out of 50 strategic infrastructure projects are in the implementation stages, accounting for R281 billion out of a total budget of R340 billion.
- Title deeds: Government is committed to clearing the title deed backlog; however, the country is faced with clearing a backlog of over 2 million un-issued title deeds. Challenges faced in this regard include incomplete township establishments, lack of bulk services, and resource constraints.
- Reclaiming hijacked buildings for public use: Government will partner with provinces and metros to reclaim hijacked buildings to repurpose them for public purpose.

### 2.3.1. Planned policy developments

The Department plans to facilitate an annual policy programme which will include drafting the programmes of the Human Settlements Code. This will involve providing prescripts, guidelines, business processes, roles and responsibilities of various stakeholders including provincial department, municipalities and entities.

It will include pursuing policy advocacy session on the provisions of the Cabinet approved White Paper, crafting of additional policy foundations, and these include the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE) policy foundation and emergency housing guidelines for dealing with inner city challenges.

## **2.4 Performance analysis**

### **2.4.1 Spending priorities**

#### **2.4.2 Integrated human settlements**

In partnership with provinces and municipalities, the Department expects to deliver 85 994 fully subsidised houses over the medium term. Provincial allocations are planned to subsidise low-income housing through the Human Settlement's Development Grant (HSDG) amounting to R43.5 billion over the medium term, while allocations to fund associated bulk infrastructure projects in metropolitan municipalities through the Urban Settlements Development Grant (USDG) over the same period will cost R28.4 billion.

These initiatives are budgeted for in the Integrated Human Settlements Planning and Development programme, in which spending is expected to increase at an average annual rate of 2.9%, from R22.8 billion in 2024/25 to R24.8 billion in 2027/28.

#### **2.4.3 Informal settlements upgrading**

The Informal Settlements Upgrading Partnership Grant (with separate allocations for provinces and municipalities) were established to provide bulk infrastructure services and improve governance in response to rapid urban migration and an increase in the number of informal settlements across South Africa. Over the medium term, funds from the ISUP Grants will enable provinces and municipalities to provide a targeted 184 informal settlements with water, sewage disposal, stormwater disposal, solid waste removal, electricity and roads; and deliver a targeted 99 467 stands with supporting municipal bulk infrastructure services.

Allocations to the ISUP Grant for provinces cost R4.7 billion, decreasing at an average annual rate of 33.1%, from R3.3 billion in 2024/25 to R971.9 million by 2027/28. This is as consequence of the Cabinet-approved budget reductions announced in the 2024 Budget. Allocations to the

municipal part of the grant amount to R14.8 billion, increasing at an average annual rate of 4.5%, from R4.5 billion in 2024/25 to R5.2 billion by 2027/28. The grants are funded through the Informal Settlements programme, which is allocated an estimated R21.5 billion over the MTEF period.

#### **2.4.4 Increasing access to housing and improving security of tenure**

Affordable housing finance is a critical lever in enabling access to housing for those who are not eligible for fully subsidised housing, but do not earn enough to qualify for home financing in the formal mortgage market.

To help this growing segment, the First Home Finance programme, formerly the finance-linked individual subsidy (FLISP) programme, aims to provide 32 567 subsidies over the period ahead to help first-time home buyers afford alternative housing finance options. To this end, R1.3 billion has been allocated over the medium term in the Affordable Housing programme. For this reason, spending in the programme is expected to increase at an average annual rate of 4.3%, from R537.4 million in 2024/25 to R610.4 million in 2027/28.

To provide rental and social housing options for low-income and middle-income households, the DHS intends to provide affordable financing for implementing agents to deliver 10 614 affordable rental units and 1 717 community residential units. This will be funded through the Rental and Social Housing programme, allocations to which increase at an average annual rate of 4.6%, from R923.9 million in 2024/25 to R1.1 billion by 2027/28.

The Department will also focus on accelerating the delivery of affordable, well-located rental and social housing over the MTEF period. It aims to do so by providing capital subsidies amounting to R2.5 billion over the medium term to accredited social housing institutions through the Social

<sup>1</sup> Ibid

Housing Regulatory Authority's consolidated capital grant. These funds are transferred to the authority through the Rental and Social Housing programme. Ultimately, this is expected to increase the supply of rental units and lower the cost of occupation for tenants.

#### **2.4.5 Providing emergency housing**

Funding from the Emergency Housing Grant is used during disasters to provide new building materials for destroyed homes, relocating, providing temporary emergency accommodation, and repairing partially damaged formal homes. The Grant was reclassified in 2023/24 from conditional grants to provinces and municipalities to the Department's emergency housing unit, which administers the allocation in the Informal Settlements programme.

The reclassification is intended to improve spending by enabling the DHS to implement housing emergency relief interventions directly and immediately in partnership with provinces and municipalities. This will be made possible by the allocation that amounts to R1.6 billion in the Informal Settlements programme.

### **3. Budget Analysis**

Over the medium term, the department will focus on building integrated communities, increasing access to adequate housing and improving security of tenure, upgrading informal settlements, and providing temporary shelter for people affected by disasters such as fires and floods. Funding for these measures is provided mainly through the key grants: the human settlements development grant, the urban settlements development grant, the informal settlements upgrading partnership grant for municipalities and the informal settlements upgrading partnership grant for provinces.

*Table 1. Budget allocation for the Department of Human Settlements for 2025/26*

Programme number & name R million	Budget		Nominal Increase / Decrease in 2025/26	Real Increase / Decrease in 2025/26	Nominal Percent change in 2025/26
	2024/25	2025/26			
1. Administration	538,4	532,9	- 5,5	- 29,4	-1,0 %
2. Integrated Human Settlements Planning & Development	22 796,4	23 855,9	1 059,5	- 11,4	4,7 %
3. Informal Settlements	8 884,2	8 126,3	- 757,9	- 1 122,7	-8,5 %
4. Rental & Social Housing	923,9	968,0	44,1	0,6	4,8 %
5. Affordable Housing	537,4	559,7	22,3	- 2,8	4,2 %
<b>TOTAL</b>	<b>33 680,3</b>	<b>34 042,8</b>	<b>362,5</b>	<b>- 1 165,7</b>	<b>4,4%</b>

Source: National Treasury and own calculations (2025)

The Department receives an allocation of R34.0 billion for the 2025/26 financial year, up from R33,7 billion from the adjusted appropriation of the previous year. This constitutes a nominal increase of 4.4%, but when considering the effect of inflation results in a -03,5% real decline. None of the DHS' five main programmes experience above-inflation increases; in fact, all of them decline when considering the inflationary effect.

### **3.1 Budget appropriations per programme**

#### **3.2 Programme 1: Administration**

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

*Table 2. Allocations to sub-programmes under Programme 1 for 2025/26*

Sub-Programmes	Budget		Nominal Increase / Decrease in 2025/26	Real Increase / Decrease in 2025/26	Nominal Percent change in 2025/26	Real Percent change in 2025/26
	R million	2024/25				
Ministry	62,4	60,9	- 1,5	- 4,2	-2,4 %	-6,8%
Departmental Management	85,5	87,3	1,8	- 2,1	2,1%	-2,5 %
Corporate Services	262,6	250,1	- 12,5	- 23,7	-4,7%	-9,0 %
Property Management	55,5	58,4	2,9	0,3	5,2%	0,5 %
Financial Management	72,4	76,2	3,8	0,4	5,3%	0,5%
<b>TOTAL</b>	<b>538,4</b>	<b>532,9</b>	<b>- 5,5</b>	<b>- 29,4</b>	<b>-1,0%</b>	<b>-5,5 %</b>

Source: Treasury and own calculations (2025).

The programme has an allocation of R532,4 million for the 2025/26 financial year, showing a nominal decrease -1.0% compared to the previous financial year. In real terms, its budget declines by -5.5%.

### **3.3. Programme 2: Integrated Human Settlements Planning and Development**

**The main objectives of this programme are to:**

**Accelerate the development and delivery of spatially integrated housing and human settlements development through:**

- The transfer and monitoring of the HSDG to provinces and the USDG to metropolitan municipalities, as per the annual Division of Revenue Act; and
- Conduct research and develop housing and human settlements policies and programmes as required.

**Promote planning coordination and strengthen intergovernmental cooperation across and within different spheres of government through:**

- The provision of support to provinces and municipalities in the development of the remaining 25 (of 94) integrated implementation plans by 2025/26; and
- The facilitation of intergovernmental forums and stakeholder partnerships on an ongoing basis.

*Table 4. Allocations to sub-programmes under Programme 2 for 2025/26*

Sub-Programmes	Budget		Nominal Increase / Decrease in 2022/23	Real Increase/ Decrease in 2022/23	Nominal Percent change in 2022/23	Real Percent change in 2022/23
	2024/25	2025/26				
	<b>R million</b>					
Management for Integrated Human Settlements Planning & Development	4,1	4,3	0,2	0,0	4,9 %	0,2%
Macro Sector Planning	19,5	20,2	0,7	- 0,2	3,6 %	-1,1%
Macro Policy & Research	55,6	55,1	- 0,5	- 3,0	-0,9%	-5,4%
Monitoring & Evaluation	66,3	72,9	6,6	3,3	9,9 %	5,0 %
Public Entity Oversight	254,6	266,0	11,4	- 0,5	4,5%	-0,2%
Grant Management	22 360,5	23 399,9	1 039,4	- 11,0	4,7 %	-0,1 %
Capacity Building & Sector Support	35,9	37,5	1,6	- 0,1	4,5%	-0,23%
<b>TOTAL</b>	<b>22 796,5</b>	<b>23 855,9</b>	<b>1 059,4</b>	<b>- 11,5</b>	<b>4,7%</b>	<b>-0,1%</b>

Source: DHS 2025/26

- About 70% of the Department's overall budget is located under Programme 2: Integrated Human Settlements and Planning Programme. This is the programme that drives the development and delivery of spatially integrated housing and human settlements, mainly through disbursement of the HSDG and the USDG.

- The programme has an allocation of R23.9 billion for 2025/26, showing a nominal increase of 4.7%. In real terms, the overall programme budget declines by -0.1%. None of the sub-programmes, except for Monitoring & Evaluation, grows above inflation. The Monitoring and Evaluation sub-programme increases nominally with 9.9% and 5.0% above inflation.
- The Grant Management sub-programme dominates expenditure under Programme 2, with its R23.4 billion allocation. The Public Entity Oversight sub-programme receives the second largest allocation at R266 million. However, compared to previous years, this reflects a real change of -0,21%.

### 3.4 Programme 3: Informal Settlements

- The purpose of **Programme 3** is to provide policy, planning and capacity support for the upgrading of informal settlements, and to oversee the implementation of the informal settlements upgrading programme.

The table below indicates the budget allocation to each sub-programme under Programme 3, as contained in the ENE 2025/26.

Sub-Programmes	Budget		Nominal Increase/Decrease in 2025/26	Real Increase/Decrease in 2025/26	Nominal Percent change in 2025/26	Real Percent change in 2025/26
	2024/25	2025/26				
<b>R million</b>	<b>2024/25</b>	<b>2025/26</b>				
Management for Informal Settlements	5,3	5,5	0,2	0,0	3,8%	-0,9%
Grant Management	8 813,0	8 049,4	- 763,6	- 1 124,9	-8,7 %	-12,8%
Capacity Building & Sector Support	66,0	71,4	5,4	2,2	8,2%	3,3%
<b>TOTAL</b>	<b>8 884,0</b>	<b>8 126,3</b>	<b>- 757,7</b>	<b>- 1 122,5</b>	<b>-8,5%</b>	<b>-12,6%</b>

Source: Treasury (2025) and own calculations.

- Programme 3: Informal Settlements is tasked with policy, planning and capacity support for the upgrading of informal settlements and oversee the implementation of the informal settlements upgrading programme.
- The 2025/26 budget of this programme declines in both nominal and real terms from the adjusted allocation of 2024/25. This results in a -8.5% nominal and -12.6% real decline in the allocation for transfers and subsidies to Municipalities and Provinces. Programme 3 has an allocation of R8.1 billion for the 2025/26 financial year.
- The Grant Management sub-programme receives the largest allocation out of the three sub-programmes, but declines in real terms with -12,8%.
- The capacity building and sector support sub-programme received the second largest allocation with R71,4 million, reflecting a nominal increase of 8.2% and a 3.3 % increase in real terms.

### 3.5 Programme 4: Rental and Social Housing

The purpose of Programme 4 is to promote the provision of affordable rental housing, monitor the performance of the Social Housing Regulatory Authority, and develop capabilities in the rental housing sector through intergovernmental collaboration and evidence-based research.

*Table 8. Allocations to sub-programmes under Programme 4 during 2025/26*

Sub-Programmes	Budget		Nominal Increase / Decrease in 2025/26	Real Increase / Decrease in 2025/26	Nominal Percent change in 20235/26	Real Percent change in 2025/26
	2024/25	2025/26				
R million						

Management for Rental & Social Housing	4,5	4,8	0,3	0,1	6,7%	1,9%
Public Entity Oversight	864,1	902,3	38,2	- 2,3	4,4%	-0,3 %
Capacity Building & Sector Support	55,3	60,9	5,6	2,9	10,1%	5,2 %
<b>TOTAL</b>	<b>923,9</b>	<b>968,0</b>	<b>44,1</b>	<b>0,6</b>	<b>4,8 %</b>	<b>0,1 %</b>

Source: Treasury (2025) and own calculations.

- Programme 4's R968 million budgets for 2025/26 increases with 4.8% nominally and 0.1% in real terms.
- Spending on this programme is expected to increase at an average annual rate of 4.4%, from R967.9 million in 2025/26 to R1 billion by 2027/28.
- The Social Housing Regulatory Authority (SHRA) is located under this programme. Its mandate is to invest in, capacitate and regulate the social housing sector. To achieve this, the authority administers a sustainable flow of capital subsidies to build affordable rental housing units for low-income to middle-income households, provide capacity-building and support initiatives, and regulates all social housing institutions.
- SHRA will continue to invest in the affordable rental housing market by providing R2.5 billion in capital subsidies over the medium term through the consolidated capital grant and operational support grants worth R80.9 million through the institutional investment programme.
- The Public Entity Oversight sub-programme receives the bulk of the allocation under Programme 4. The allocation increases to R923,9 million in 2025/26, representing a real percent change of 4,8%.

### 3.6 Programme 5: Affordable Housing

The purpose of Programme 5 (Affordable Housing), is to facilitate the provision of affordable housing finance, monitor market trends, develop research and policy that respond to demand and to oversee housing finance entities that report to the minister.

Table 10. Allocations to sub-programmes under Programme 5 for 2025/26

Sub-Programmes	Budget		Nominal Increase/Decrease in 2025/26	Real Increase/Decrease in 2025/26	Nominal Percent change in 2025/26	Real Percent change in 2025/26
	R million	2024/25				
Management for Affordable Housing	4,4	4,6	0,2	0,0	4,6%	-0,2 %
Public Entity Oversight	439,2	458,2	19,0	- 1,6	4,3 %	-0,4 %
Capacity Building & Sector Support	93,9	96,8	2,9	- 1,4	3,1%	-1,5%
<b>TOTAL</b>	<b>537,5</b>	<b>559,6</b>	<b>22,1</b>	<b>- 3,0</b>	<b>4,1 %</b>	<b>-0,6%</b>

Source: Treasury (2025) and own calculations

- Programme 5: Affordable Housing is tasked with facilitating the provision of affordable housing finance; monitor market trends; develop research and policy that respond to demand; and oversee housing finance entities reporting to the Department. Its expenditure increases by 4.1% nominally from the previous year but declines by -0.6% in real terms.
- While all of Programme 4's sub-programmes increase nominally, they decline in real terms.
- The National Housing Finance Corporation (NHFC) receives a transfer of R559,7 million currently, compared to R537,4 million the previous year. Programme experiences a nominal increase of (4.2%) and real terms a decrease of (-0,5%) from the previous financial year.
- Spending on the Affordable Housing programme is expected to increase by 4.1% from R559.6 million in 2025/26 to R610.3 million in 2027/28. However, over 2025 MTEF R1.7 billion has been allocated to achieve the objectives of the Programme. R1.3 billion of R1.7 billion

- The Public Entity Oversight sub-programme receives the largest proportion of the allocation under this programme. Its allocation grows from R439,2 million in 2024/25 to R458,2 million currently, representing a real percentage change of 4,3%.

#### **4. Committee observations and recommendations**

Having been briefed by the Department and its entities on its revised strategic plans, annual performance plans and budget, the committee deliberated and made the following observations and recommendations.

##### **4.1 Observations**

Members of the Committee, in deliberating on the presentation in respect of allocations of budget and annual performance plans of the Department and its Entities stressed the following:

- The need for support to the Housing Development Agency as a consultancy company of the state, ensure its visibility and ability to serve under-served areas. Accordingly, the need for its reputation to be protected, especially in light of the recent media reports regarding SIU investigations into its operations. The PC thus supports this investigation and would like to see the HDA fulfill its legal mandate.
- The PC emphasized the urgency of strengthening the Provincial Housing Rental Tribunals and the Community Schemes Ombuds Services to share its expertise in capacitating the (Provincial Housing Tribunal)PHTs.

- The PC recognized the fiscal constraints that the National Housing Finance Corporation(NHFC) face in transitioning into a fully-fledged Human Settlements Development Bank and urged the DHS to remain seized with steering this process to its logical conclusion, speedily, by exploring all legal and financial avenues.
- The committee expressed concern about the poor-quality houses and buildings which were certified by the National Home Builders Registration Council (NHBRC)
- Members were concerned about the percentage of the budget for climate-smart housing or disaster-resilient planning, despite the R60 million allocated to the UN Habitat office over MTEF period

## 4.2 Recommendations

Based on the reports presented and the deliberation, the Committee recommends that the Department of Human Settlements must:

- Institute consequence management against provinces and metropolitan municipalities that were not spending on the Human Settlements Development Grant as well as Urban Settlements Development Grant respectively, as well other grants categories, in collaboration with the relevant Portfolio and Select Committees;
- Present concrete action plan to ensure full expenditure on allocated budgets in the final quarter of 2025/6. Quarterly expenditure reports must be tabled before the Portfolio Committee, highlighting risks and mitigation strategies.
- Provincial reports requested must be shared with the Committee for Members to ensure optimum outcomes and impact in communities;
- Present an update on the progress recorded on the fraud and corruption cases within the DHS.
- Submit detailed report on the issuance of title deeds, and the impact of the Title Deed Friday programme and get an accelerated response to the the resolution of the pre-1994 housing stock that was occupied either on a rental basis or built with cost to the owner;
- Expedite amendments to the Social Housing Act and related legislation to enhance enforcement, compliance, and operational efficiency, as well follow through the implementation of the White Paper on Human Settlements for full impact in communities;
- Develop and implement standardized frameworks for community consultation to minimize project delays and enhance stakeholder buy-in.
- Accelerate the automation of licensing, registration, compliance, and complaint management systems across entities to improve service delivery and data integrity.

- Address critical vacancies promptly to ensure effective leadership and governance within entities.
- Develop sustainable and diversified funding approaches that provide entities with direct access to national resources, reducing dependency on uneven regional transfers.
- Implement binding service-level agreements with municipalities and other stakeholders, incorporating penalties for non-performance and ensuring timely delivery of housing projects.
- Maintain rigorous audit and consequence management processes to uphold accountability and public confidence and develop minimum technical staffing norms for provinces to receive grants.
- Increase efforts to educate and inform communities about human settlements programmes, rights, and responsibilities to foster active citizenry and support.
- Strengthen partnerships with government and private sector stakeholders to expand the Transformation Fund, with the view to extending this frontier to the Property Practitioners Regulatory Authority, to ensure the property sector BBB-EE and end asset poverty and inequality;
- Enhance legal and regulatory frameworks to support transformation and compliance.
- Increase stakeholder engagement and public awareness campaigns to improve accessibility and service delivery.
- Explore innovative revenue generation strategies to support financial sustainability.
- Prioritize filling critical vacancies and building institutional capacity.
- The National Home Builders Registration Council (NHBRC) must appoint qualified personnel (i.e qualified land surveyors and engineers) to ensure the building of quality houses.
- The development of the Housing Delivery Dashboard by province to demonstrate an efficient, effective and economic use of grants.

Report to be considered.

## **4. REPORT OF THE PORTFOLIO COMMITTEE ON SCIENCE, TECHNOLOGY AND INNOVATION ON BUDGET VOTE 35: SCIENCE, TECHNOLOGY AND INNOVATION (2025/26), DATED 24 JUNE 2025.**

The Portfolio Committee on Science, Technology and Innovation, having considered Budget Vote 35: Science, Technology and Innovation, the 2025-2030 Strategic Plan and the 2025/26 Annual Performance Plan of the Department of Science, Technology and Innovation reports as follows:

### **1. INTRODUCTION**

The Constitution of the Republic of South Africa, 1996, the Rules of Parliament and the Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009, as amended) mandates the Portfolio Committee on Science, Technology and Innovation (hereafter, the Committee) to oversee the activities and performance of the Department of Science, Technology and Innovation (hereafter, the Department or DSTI) and the entities that report to it. Hence, the Committee annually reviews whether the Department's and entities' Strategic Plans and Annual Performance Plans (APPs) are aligned to national strategic objectives and the appropriated budget.

The 2025/26 financial year marks the start of the last 5-year phase of implementation of the National Development Plan Vision 2030 (NDP). Hence, the Department and its entities have tabled their new 2025-2030 Strategic Plans along with their 2025/26 Annual Performance Plans (APPs). The Committee first considered the plans and budgets of the Department, National Advisory Council on Innovation (NACI), National Research Foundation (NRF) and Technology Innovation Agency (TIA) on 22 April 2025. Following the re-tabling of the 2025 National Budget, the Department revised its 2025/26 APP. The Committee considered the Department's revised APP, the Shareholder Compact of the Council for Scientific and Industrial Research (CSIR) and the plans and budget of the South African National Space Agency (SANSA) on 17 June 2025.

### **2. MANDATE AND STRATEGIC FOCUS**

### *National Development Plan Vision 2030 and the 2024-29 Medium Term Development Plan*

The world today is characterized by a complex interplay of opportunities and challenges. While advancements in connectivity and global collaboration offer immense potential for progress, humanity grapples with urgent issues such as climate change, poverty, inequality, health crises and geopolitical conflicts. In this intricate landscape, science, technology and innovation (STI) are not merely tools but indispensable drivers of solutions. By leveraging these forces responsibly and inclusively, we can navigate current complexities, address societal challenges, and build a more equitable, resilient, and prosperous future for all.

The NDP characterises STI as crucial for accelerating economic transformation and improving the country's global competitiveness. Hence, it requires South Africa to adequately invest in research and development (R&D); that the STI institutional arrangement, i.e. the national system of innovation (NSI), is closely linked to the productive needs of industry; that the government collaborates better with the private sector to raise the level of research, development and innovation (RDI) in companies; and that public investments in research infrastructure should focus on and fulfil the needs of a modern economy.

Addressing the last 5-year phase of implementation towards the goals and objectives of the NDP, the 2024-29 Medium Term Development Plan (MTDP) aims to guide the work of government in pursuit of three strategic national priorities, namely:

- Strategic Priority 1: Driving inclusive growth and job creation. This is the apex priority of the 7<sup>th</sup> Administration.
- Strategic Priority 2: Reducing poverty and tackling the high cost of living.
- Strategic Priority 3: Building a capable, ethical, and developmental state.

“A dynamic science, technology and innovation ecosystem for growth” is listed as one of nine outcomes to achieve Strategic Priority 1. To harness STI for growth, the MTDP states that:

- To align with the 2022-2032 STI Decadal Plan that supports a Whole-of-Government approach to innovation, the MTDP adopts a Whole-of-Society strategy toward STI for rapid, inclusive, and sustainable economic growth.

- All sites of research and innovation (i.e. higher education, industrial laboratories, government departments, corporate research units, state-owned enterprises, science councils and non-governmental organisations [NGOs]) should be better coordinated.
- Basic and higher education play a critical role in producing the necessary human resources to improve South Africa's global competitiveness.
- Public-Private Partnerships will be used to leverage existing innovation and research towards commercial activities.
- Micro, Small and Medium Enterprises (MSMEs) will be supported to increase their participation in new and emerging sectors and to increase funding towards the commercialisation of their innovations.

Furthermore, the MTDP identifies the following key enablers for Strategic Priority 1:

- Effective cross-government coordination that fosters a unified approach to planning and multi-agency partnerships.
- Clear policy goals and strategies.
- Adequate resource allocation (financial and human).
- Prioritised R&D investment that focus on practical applications.
- Efficient technology transfer from research institutions to the market.

For the 2024-2029 MTDP, the success of the Department's actions hinges on an adequately resourced, expanded, coherent, collaborative and coordinated NSI. To support the MTDP interventions and create a coherent narrative around the country's economic policy, the Presidency and National Treasury will coordinate a process to integrate STI into macroeconomic, trade and industrial policies. This process will need to entrench STI Budget Coordination within the Budget Prioritisation Framework, which guides resource allocation to achieving government's strategic priorities.

The MTDP focuses on a limited set of strategic priorities and outcomes instead of trying to address a broad range of departmental activities. Although STI is an enabler for many of the MTDP's objectives around manufacturing, agriculture, mining, health, energy, infrastructure, the environment and a capable state, the Department leads the following strategic interventions, under Strategic Priority 1: Drive inclusive growth and job creation, with the support of all departments that contribute to STI activities:

Outcome	Outcome indicator	Outcome baseline	Outcome target 2029/30	Strategic interventions	Intervention indicators	Intervention baseline	Mid-term targets	End-term targets
<b>A dynamic STI ecosystem for growth</b>	Expenditure as a % of GDP	0.61% of GDP	1.5% of GDP	Grow and transform SA's STI capabilities, human resources, and research infrastructure	Increase in the quantum of investment by the private sector into research, development, and innovation	New indicator	Investment is matched at a 1:1 level between government and the private sector	Investment is matched at a 2:1 level between government and the private sector
					Increased share of the national budget allocated to developing STI capabilities, human resources, and research infrastructure	R34.1 billion in 2023/24	R68.5 billion in government funding for Scientific and Technological Activities (STAs) through national departments and science councils	R120.5 billion in government funding for STAs through national departments and science councils
				E-commerce / Digital platforms	Rand value of private sector investment in public-private research and innovation partnerships	R300 million	R500 million	R1 billion
				Percentage of users using the	24%	35%	>50%	

Outcome	Outcome indicator	Outcome baseline	Outcome target 2029/30	Strategic interventions	Intervention indicators	Intervention baseline	Mid-term targets	End-term targets
					internet for purchasing goods and services			

### *2019 White Paper on Science, Technology and Innovation and the 2022-2032 Science, Technology and Innovation Decadal Plan*

The 2019 White Paper on STI sets the current long-term policy direction for the NSI and seeks to ensure an increasing role for and use of STI to accelerate inclusive economic growth, increase the competitiveness of the economy and improve the livelihoods of South Africa's citizens. The 2022-2032 STI Decadal Plan is the implementation plan of the 2019 White Paper on STI and identifies:

**Five System Goals** related to ensuring an inclusive and coherent NSI; expanding and transforming the research system; increasing and developing future-proof human capabilities; enabling an innovation driven environment; and significantly increasing funding for the NSI.

**Three Societal Grand Challenges** related to climate change and environmental sustainability; future-proof education and skills; and the future of society.

**Six STI Priorities** related to modernising the manufacturing, agriculture, and mining sectors of the economy; new sources of growth within the digital and circular economies; health research and innovation; energy research and innovation; innovation to enable a capable state; and innovation in support of socio-economic progress.

### *Department of Science, Technology and Innovation Strategic Plan 2025-2030*

In alignment with the 2019 White Paper on STI and the STI Decadal Plan, the Department seeks to realise the vision of "Increased well-being and prosperity through STI". Thus, the Department provides leadership, an enabling environment, and resources for STI in support of South Africa's inclusive and sustainable development. The Department's 2025-2030 Strategic Plan seeks to redefine the role of STI as an enabler of economic resilience, social

transformation, and sustainable development. Hence, the Department’s impact statement for this 5-year period is to “Place STI at the centre of government, education, industry and society”.

The Department states that the current Strategic Plan seeks to embed STI as the foundation of industrialisation, digital transformation, social transformation, and sustainable development, rather than just supporting these objectives. Broadly, this will be achieved by aligning national STI investments with sector-specific developmental objectives, ensuring that innovation and research directly support economic growth, social transformation, and climate resilience. The Department will strengthen the scale and diversity of Public-Private Partnerships to reduce the carbon-footprint and prolong the lifespan of older industries that are jobs-sensitive, while also driving the growth of newly emerging industrial sectors with job-creation potential. At policy coordination level, the Department will use critical agenda setting instruments such as the STI Presidential Plenary and Inter-Ministerial Committee (IMC) to reset STI as a critical investment and strategic priority across key sectors of the economy and society. The Department will also continue with targeted R&D in key economic sectors such as energy, agriculture, mining, health, and the circular and digital economies, and prioritise areas such as Artificial Intelligence (AI).

The Department’s seven strategic outcomes for the 2025-2030 period are:

**MTDP Strategic Priority 1: Inclusive growth and job creation**

**DSTI Outcome 1:** Expanded and transformed STI capabilities, human resources, and research infrastructure for South Africa.

**DSTI Outcome 2:** Innovation and commercialisation support provided to the NSI, including grassroots innovation support.

**DSTI Outcome 3:** Increased STI investment.

**DSTI Outcome 4:** Increased support for R&D-led enhancements to the competitiveness of existing and new industries.

**MTDP Strategic Priority 2: Reducing poverty and tackling the high cost of living**

**DSTI Outcome 5:** Improved availability of innovative technologies in relevant sectors, e.g. health, water and sanitation, human settlements, and energy.

**MTDP Strategic Priority 3: Building a capable, ethical, and developmental state**

**DSTI Outcome 6:** Improve NSI governance and coordination.

**DSTI Outcome 7:** Increased integration of STI-based evidence into government decision making.

Due to the policy shift proposed by the White Paper and Decadal Plan, the Department reviewed its 2014-approved organisational structure in 2020 to ensure that it can deliver on its revised mandate. A new organisational structure, which has not yet been approved, had been developed by 2024. Subject to budget availability, the expectation is that the new organisational structure will be implemented during the current five-year term. Hence, the Department's five budget Programmes to deliver on the seven strategic outcomes planned for the period 2025-2030 remains unchanged. The Programmes are:

- Programme 1: Administration.
- Programme 2: Technology Innovation.
- Programme 3: International Cooperation and Resources.
- Programme 4: Research, Development and Support.
- Programme 5: Socio-economic Innovation Partnerships.

***State of the Nation Address, 2025***

The President emphasised that South Africa needs to navigate global fundamental shifts around geopolitics, technology and the impact of AI, trade competition and climate change. The 2025 State of the Nation Address (SoNA) highlighted the need for a "nation that works for all," emphasizing the importance of infrastructure, economic reform, and a capable, ethical state.

Specifically, the President stated that existing capabilities in green manufacturing, renewable energy, electric vehicles and the digital economy will be leveraged to create jobs. So too the ambition to modernise industrial policy by focusing on localisation, diversification, digitisation and de-carbonisation. Furthermore, the President stated that "To build an innovative economy, the Department of Science, Technology and Innovation will establish an Innovation Fund to provide venture capital to tech start-ups that emerge from our higher education institutions." The capabilities that will be depended on to realise this vision have been developed through the country's historical investments in STI.

The majority of actions enumerated by the President to grow and modernise the economy, create jobs, improve public services and infrastructure and enhance safety and wellbeing are underpinned by STI; which reinforces the Department’s theme for 2025/26 of “Placing STI at the centre of government, education, industry and society.” However, if the weak rate of investment in the NSI continues, and policy coherence and coordination lags, South Africa’s STI capabilities will struggle to keep pace with the rapid rate of technological change and the country’s ambitions to modernise and increase the productive capacity of the economy will not be realised.

### 3. DEPARTMENT OF SCIENCE, TECHNOLOGY AND INNOVATION - 2025/26 BUDGET AND ANNUAL PERFORMANCE PLAN

Under government’s economic development function, spending over the medium-term will focus primarily on economic regulation and infrastructure. For 2025/26, consolidated government expenditure (across all departments) on Innovation, Science and Technology is R20.2 billion, which constitutes 0.9% of the total budget.<sup>1</sup> The Department’s share of this expenditure for 2025/26 is R9.06 billion (Table 1).<sup>2</sup>

**Table 1: 2025/26 Budget summary and performance indicators of the Department of Science, Technology and Innovation**

<b>Programmes</b>				
<b>R'million</b>	<b>2024/25 Adjusted appropriation</b>	<b>2025/26 Budget allocation</b>	<b>Nominal rand change from 2024/25 to 2025/26</b>	<b>Number of performance targets for 2025/26</b>
1. Administration	399.1	435.6	36.5	7
2. Technology Innovation	1 908.3	1 606.1	-302.2	9
3. International Cooperation and Resources	140.2	152.8	12.6	8
4. Research, Development and Support	5 363.6	5 170.6	-193.0	17
5. Socio-economic Innovation Partnerships	1 630.0	1 698.6	68.6	19
<b>Total</b>	<b>9 441.2</b>	<b>9 063.7</b>	<b>-377.5</b>	<b>60</b>
<b>Economic classification</b>				
Current payments	644.9	685.7	40.8	
Transfers and subsidies	8 783.1	8 357.2	-425.9	

<sup>1</sup> National Treasury, May 2025. Budget Overview.

<sup>2</sup> National Treasury, May 2025. Estimates of National Expenditure. Vote 35: Science, Technology and Innovation.

Programmes				
R'million	2024/25 Adjusted appropriation	2025/26 Budget allocation	Nominal rand change from 2024/25 to 2025/26	Number of performance targets for 2025/26
Payments for capital assets	13.2	20.8	7.6	
<b>Total</b>	<b>9 441.2</b>	<b>9 063.7</b>	<b>-377.5</b>	

Sources: National Treasury, May 2025. Estimates of National Expenditure. Vote 35: Science, Technology and Innovation (own calculations). Department of Science, Technology and Innovation Annual Performance Plan 2025/26.

With the prioritised focus on infrastructure development, the Department will spend approximately R1.7 billion on the MeerKAT / Square Kilometre Array (SKA) Radio Telescope, South African Research Infrastructure Roadmap (SARIR) and the National Integrated Cyberinfrastructure System (NICIS) in 2025/26. In relation to skills development and knowledge production, the Department will annually invest R2.9 billion in postgraduate development and research support, and R3.8 billion to provide access to innovative research infrastructure.

The Department's 2025/26 budget allocation decreases by a further R377.5 million (Table 1). From 2023/24, the Department's budget allocation has decreased by R1.4 billion, and due to the constrained fiscal environment, the Department has been advised to reprioritise existing funds to meet any new mandates or responsibilities, as evidenced by the Minister of Finance's response<sup>3</sup> to the 2024 Budgetary Review and Recommendation Report of the Committee:

**Recommendation:** The committee recommends that the National Treasury allocates the additional R2.4 billion needed to offset the existing shortfalls in bursary and grant support.

**Response:** The National Treasury notes the committee's recommendation. Given the current constrained fiscal environment, there is limited scope for additional funding to departments and entities. Reprioritisation remains the primary mechanism to fund spending pressures and emerging priorities.

**Recommendation:** The committee recommends that the National Treasury allocate R570 million that South African National Space Agency needs for its satellite build and launch capability. This includes R350 million for Earth Observation Satellite 1, R120 million for

<sup>3</sup> National Treasury, 2025. Budget Review (Annexure A).

launch capability and R100 million for the development of Synthetic Aperture Radar technology.

**Response:** The National Treasury notes the committee's recommendation. Reprioritisation remains the primary mechanism to fund spending pressures and emerging priorities. Nevertheless, the South African National Space Agency is advised to consider private-sector partnerships or blended finance approaches for this project. The entity can obtain further advice from the Development Bank of Southern Africa or the Government Technical Advisory Centre.

**Recommendation:** The committee recommends that the National Treasury allocate the needed R35 million for the Innovation Fund and the R100 million for the Pre-seed Fund to the Technology Innovation Agency.

**Response:** The National Treasury has conducted a spending review exploring the agency's role and efficiency in the commercialisation and development of intellectual property from publicly funded institutions. The review is under consideration by the Department of Science, Technology and Innovation. Concurrently, the agency is conducting its own internal institutional review, which will also be submitted to the department for consideration. Both processes must be concluded before additional funding requests for the agency can be considered.

In terms of economic classification, the percentage apportionment of the Department's 2025/26 budget allocation of R9.06 billion remains similar to previous years and Transfers and subsidies to the Department's entities and implementing partners comprise 92% of the total budget. However, the allocation for Transfers and subsidies decreases by R425.9 million from R8.78 billion to R8.36 billion (Table 1).

Programmes 2, 4 and 5 that are responsible for the Transfers to the Department's entities and implementing partners, continue to receive approximately 94% of the Department's total budget allocation. Programme 4, which is responsible for the Transfers to the NRF, continues to receive the majority of the Department's budget at 57%. Contrary to previous financial years, Programme 5 (knowledge use) now gets a slightly bigger allocation than Programme 2 (knowledge production). The allocations to Programmes 2 and 4 collectively decrease by R482.6 million (Table 1).

The Department reported to the Committee that it has a staff establishment of 495 with 117 vacancies (106 around the same time in 2024). Due to budget constraints, no prioritised posts will be filled, and the Department has to contend with a high staff turnover rate and excessive interim appointments.

For 2025/26, the Department has translated its planned performance into 60 performance indicators and targets (Table 1).

### **Programme 1: Administration**

Programme 1 provides strategic leadership, management, and support services to the Department. Programme 1's allocation increases from R399.1 million to R435.6 million. A notable change is that the allocation to the Corporate Services sub-programme increases from R219.4 million to R251 million, and under Goods and services, Property payments increase from R18.1 million to R55.9 million and continues to increase over the medium-term.

Programme 1 now includes two new performance indicators, in compliance with government's national targets, for the percentage of women at senior management level (50%) and the percentage of persons with disabilities (5%) appointed by the Department. The Department no longer reports against its target of having 90% of all funded positions filled.

### **Programme 2: Technology Innovation**

Programme 2 promotes technology development and the protection and use of publicly funded intellectual property for innovation with socio-economic impact. Programme 2 has four sub-programmes and one specialised service delivery unit (SSDU). These are Space Science, Hydrogen and Energy, Bio-innovation, Innovation Priorities and Instruments (IPI), and the SSDU, the National Intellectual Property Management Office (NIPMO).

Programme 2's allocation decreases from R1.9 billion to R1.6 billion. The percentage distribution of the allocation between sub-programmes remains the same as in previous financial years, with IPI allocated the largest proportion at 59% (R941.4 million, which increases by R52.8 million). A notable change is the decrease in allocation to Space Science, from R545.4 million to R210.2 million, because 2024/25 was the last year that an allocation was designated for the Space Infrastructure Hub.

Programme 2 is responsible for the Transfers to the TIA and SANSA, which are allocated R420 million (R432.7 million in 2024/25 and R459.4 million in 2023/24) and R166.6 million (R153.3 million in 2024/25 and R162.9 million in 2023/24) respectively.

New performance indicators are for innovation-linked skills development, supporting technology-based enterprises and supporting venture capital firms through the Innovation Fund.

A key development is that in response to regulatory challenges experienced by SANSA and the broader space industry, Programme 2 plans to transfer the National Space Policy from the Department of Trade, Industry and Competition (DTIC) to the Department so that the legislative processes will be more streamlined under one government department.

### **Programme 3: International Cooperation and Resources**

Programme 3 develops, promotes and manages international partnerships, opportunities and science and technology agreements that both strengthen the NSI and enable an exchange of knowledge, capacity and resources between South Africa and its international partners. Programme 3 has three sub-programmes; namely, Multilateral Cooperation and Africa, International Resources, and Overseas Bilateral Cooperation.

Programme 3's allocation increases marginally from R140.2 million to R152.8 million. The percentage distribution of the allocation between sub-programmes remains the same as in previous financial years, with all sub-programmes receiving minor increases in their allocations and International Resources allocated R74.9 million of Programme 3's total allocation.

All eight performance indicators are new and focus on strengthening national, regional and continental innovation ecosystems; strengthening support for Historically Disadvantaged Institutions (HDIs); promoting researcher mobility and advancing STI collaboration across the African continent and globally. No new policy development initiatives are planned for 2025/26 and the implementation of existing policies and partnerships that enhance innovation ecosystems and drive the transformation agenda in alignment with the STI Decadal Plan will be prioritised.

### **Programme 4: Research, Development and Support**

Programme 4 provides an enabling environment for research and knowledge production that promotes the strategic development of basic sciences and priority science areas through science human capital development and the provision of research infrastructure and relevant research support, in pursuit of South Africa's transition to a knowledge economy. Programme 4 has four sub-programmes; namely, Human Capital and Science Promotions, Science Missions, Basic Science and Infrastructure, and Astronomy.

Programme 4's allocation decreases from R5.36 billion to R5.17 billion. The percentage distribution of the allocation between sub-programmes remains the same as in previous financial years, with Human Capital and Science Promotions allocated the largest proportion at 52% (R2.67 billion). Only the allocation to the Astronomy sub-programme decreases, i.e. from R1.36 billion to R998.3 million.

Programme 4 is responsible for the Transfers to the Academy of Science of South Africa (ASSAf) and the NRF. ASSAf is allocated R33.4 million (R31.9 million in 2024/25 and R34 million in 2023/24). The NRF is allocated R3.46 billion (R3.85 billion in 2024/25 and R4.3 billion in 2023/24) for human capital development, the SKA, and the South African Research Chairs Initiative (SARChI). The allocation to the SKA decreases from R1.3 billion to R946.3 million. The CSIR is allocated R301.7 million (R282.8 million in 2024/25 and R244.2 million in 2023/24) for the further development and management of the NICIS.

Nine of the 17 performance indicators are listed as new. The new performance indicators focus on policy actions that enhance access to infrastructure, enable directed research, advance science missions, advance science engagement and strengthen the South African knowledge system; and providing 14 infrastructures with funding of R20 million or more.

### **Programme 5: Socio-economic Innovation Partnerships**

Programme 5 enhances the growth and development priorities of government through targeted STI interventions and the development of strategic partnerships with all levels of government, industry, research institutions and communities. Programme 5 has four sub-programmes; namely, Sector Innovation and Green Economy, Innovation for Inclusive Development, Science and Technology Investment, and Technology Localisation, Beneficiation and Advanced Manufacturing.

Programme 5's allocation increases from R1.63 billion to R1.7 billion. The percentage distribution of the allocation between sub-programmes remains the same as in previous financial years, with Sector Innovation and Green Economy allocated the largest proportion at 62% (R1.05 billion).

Programme 5 is responsible for the Transfers to the Human Sciences Research Council (HSRC) and the CSIR. The HSRC is allocated R311.1 million (R300.6 million in 2024/25 and R322.3 million in 2023/24). The CSIR is allocated R971.1 million (R938.4 million in 2024/25 and R971.4 million in 2023/24). The HSRC is also allocated R15 million to develop and monitor science and technology indicators via the Centre for Science, Technology and Innovation Indicators (CeSTII). The CSIR is also allocated R58 million for mining R&D via the Mandela Mining Precinct.

Five of the 19 performance indicators are listed as new. However, the creation of job and income opportunities via DSTI-supported demonstrators/models and implementing actions around STI Budget Coordination have been performance indicators since 2023/24. Hence, the actual new performance indicators focus on promoting the R&D Tax Incentive (RDTI) to the private sector, R&D/STI public sector collaboration agreements, and implementing the Circular Economy STI Strategy.

***Notable changes to performance indicators in Programme 5:***

**R&D Tax Incentive:**

The performance output indicator for the RDTI was never achieved due to challenges with staff capacity and availability, administrative processes, and digitisation. Before, the target was to provide "Preapproval decisions, which were signed by the Minister for 80% of RDTI applicants within 90 days of receipt of said applications". The target was revised in the latter part of 2024/25 to "Adjudication Committee recommendations for 80% of applications for the RDTI within the year of receipt processed for the Minister's consideration".

- o This change moves the target from "Minister-approved decisions for 80% of applications received within a 90-day period" to "Committee recommendations for 80% of applications received within a given year".

**Creation of job and income opportunities:**

The creation and support of job (2024/25 target 36) and income (2024/25 target 110) opportunities via DSTI-supported demonstrators/models used to be separate performance output indicators and targets. From 2025/26, this has been combined into one target, which is listed as 30 job or income opportunities, which increases to 60 and then 90 for 2026/27 and 2027/28.

#### **4. ENTITIES OF THE DEPARTMENT OF SCIENCE, TECHNOLOGY AND INNOVATION**

The Committee considered the 2025-2030 Strategic Plans and 2025/26 APPs of NACI, the NRF, SANSA and TIA, and the 2025/26 Shareholder's Compact of the CSIR. The Department's entities are funded through an annual baseline allocation also known as the Parliamentary grant; specific project and/or contract funds; income that is generated from research and commissioned projects; or from income that is generated from royalty, publishing, membership, registration, and/or facility fees. The Parliamentary grant is the guaranteed, annual allocation from the Department to its entities. The exception to this is NACI, which is administered under Programme 1: Administration of the Department.

Within the current constrained economic environment, the main challenge for all the entities is the stagnant or declining value, in real terms, of the Parliamentary grant. This grant supports the core legislated mandate of the entities and the development and maintenance of national capability in STI, which includes both skills and infrastructure.

The Parliamentary grants of the entities in 2025/26 are:

CSIR:	R971.1 million (R938.4 million in 2024/25)
NRF:	R983.6 million (R941.4 million in 2024/25)
SANSA:	R166.6 million (R153.3 million in 2024/25)
TIA:	R420 million (R432.7 million in 2024/25)

The insufficient Parliamentary grant makes the entities more reliant on sourcing contract funds, be it from national, regional and international sources/partners. A key factor affecting the ability of the entities to source contract funding is the requirement of the Public Finance Management Act (PFMA) for the state to source needed services / expertise via open tender

processes. This requires that the entities, who are funded from the fiscus to develop STI capability that serves the national interest, compete with the private sector to render services to the state. Moreover, if STI capability is not maintained and advanced, the ability to attract contract income is also adversely affected. Additional challenges affecting the sustainability of the entities include the scarcity of and demand for high-level skills, the escalating cost of doing business, and the insufficient capital budgets for the maintenance and modernisation of RDI infrastructure. Furthermore, given the current geopolitical climate and its impact on the global STI landscape, future collaboration with international partners will need very careful consideration.

### *Council for Scientific and Industrial Research*

The work of the CSIR spans the entire innovation value chain, from fundamental research to technology development and commercialisation. Over the medium-term, the CSIR will continue to support the advancement and digital transformation of the manufacturing, chemical, health, agricultural, mining, energy, logistics and defence sectors. This will improve the resilience and effectiveness of these sectors and enable the creation of new enterprises and jobs. A key focus will be to position the CSIR at the centre of technology support to the public sector through a revised mandate. Furthermore, because the CSIR recognises that the commercialisation of its technologies is fundamental to achieving lasting socio-economic impact and ensuring its financial sustainability, it has developed various pathways and strategies to bring its technologies to market. To accelerate and scale its commercialisation endeavours, the CSIR launched CSIR C<sup>3</sup> (pronounced CSIR C-Cubed) in October 2023, which is a fully CSIR-owned but standalone enterprise dedicated to driving the commercialisation and industrialisation of technologies and intellectual property (IP) developed by the CSIR.

To ensure its financial resilience and mitigate the financial risks associated with heavy reliance on public sector allocations, increasing revenue streams from the private and international sectors will remain a key priority for the CSIR. To service the needs of a growing and more diverse client base, the CSIR will continue investing in and developing high-level skills, future-facing strategic capability and RDI infrastructure.

For 2025/26, the CSIR estimates that its total income will be R3.2 billion but with only marginal increases in its Parliamentary grant (which continues to decline in real terms) and contract and investment income, the CSIR is budgeting for a net loss of R30.8 million. The

CSIR's statement of financial position, i.e. current assets (R1.72 billion) versus current liabilities (R1.41 billion) will remain stable at 1.22.

Research infrastructure is a key component of achieving the strategic objectives of the CSIR.

The current portfolio of infrastructure investments includes:

- Self-funded capital infrastructure investment of R100 million over the 2023 and 2024 financial years.
- National Treasury-funded projects of R185 million until 31 March 2025. Proposals for new infrastructure programmes for 2025/26-2027/26 are being conceptualised by clusters.
- NRF National Equipment Programme of R18 million, which has not yet been confirmed.

The planned investment is short of the R1 billion investment needed to address critical infrastructure requirements. Without modern, world-class infrastructure, the CSIR risks being unable to produce globally recognised research outcomes. The CSIR's ability to attract and retain young talent is also hampered by aged and aesthetically tired infrastructure, which undermines its appeal to emerging researchers and professionals. Additionally, the ageing infrastructure places a heavy burden on the CSIR's operational budget due to the high costs associated with maintaining older facilities. The lack of infrastructure investment is forcing the CSIR to rent out more of its buildings, which comes with its own complexity and risk, to generate income for basic infrastructure reinvestment.

The CSIR highlighted that the key risks to its operations remain:

- Financial sustainability: The declining, in real terms, Parliamentary grant and the uncertainties around public sector funding affect the achievement of its strategic objectives and continuing financial sustainability.
- Ageing infrastructure: Current infrastructure is prone to failure, downtime, and costly maintenance. Continued low investment will result in obsolescence and a non-competitive real estate offering.
- Scarce and critical skills: Efforts to secure scarce/critical skills have not gained traction. The CSIR continues to drive efforts to attract/retain skills in high-demand sectors like ICT, aerospace, defence, transport, and logistics.

- Geopolitical Risk: Current tensions affect the normal and peaceful course of international relations, funding, and trade.

### *National Advisory Council on Innovation*

Over the medium-term, NACI will continue to improve the quality, relevance, and efficacy of its advice to the Minister of Science, Technology and Innovation (the Minister) and, through the Minister, the Cabinet. It will also continue to build on its previous efforts to strengthen planning, monitoring and evaluation capabilities in the NSI; institutionalise STI Foresight capability; establish itself as an independent entity; as well as continue to enhance Phase 1 of the National Science, Technology and Innovation Information Portal (NSTIIP) and develop Phase 2. These actions will require NACI to enhance its internal skills, improve organisational efficiency, implement improved scientific advisory mechanisms, establish new approaches for public and private sector engagement, and strengthen regional and international partnerships.

As stated previously, NACI's administrative functions are managed under Programme 1: Administration of the Department. For the medium-term, NACI's expenditure (salaries and goods and services) estimates range from R18.6 million in 2025/26 to R20 million in 2027/28.

The key risks to NACI's efforts to improve its advice to the Minister and build a fit-for-purpose organisation include:

- Failure to appoint highly skilled and competent staff, as well as lacking the funding to do so.
- Low uptake of advice.
- Copyright infringements relating to STI data and information stored on the NSTIIP.

### *National Research Foundation*

The NRF's impact statement for 2025-2030 is "Empowered Society through Science". Hence, the NRF will refocus the funding of research and postgraduate studies towards greater emphasis on impact and science engagement, reposition research infrastructure for more innovation outcomes and mature its role as national coordinator of the country's science engagement programme. Some of the new performance outcome indicators that reflect this include:

- Tracking the percentage of NRF-funded postgraduate students that have progressed to emerging researchers programmes.

- Tracking the percentage of knowledge outputs from NRF-funded research that link to priority economic sectors of the STI Decadal Plan.
- Tracking the percentage improvement in research productivity and high-end skills of HDIs funded for a minimum of two years.
- Incrementally incorporating science engagement in NRF-funded projects.
- Tracking the percentage increase of the Rand-value of partnerships for funding research, skills development, and access to infrastructure.

For 2025/26, the NRF estimates that its total income will be R6.4 billion, with DSTI contract income contributing R4.5 billion (excludes the R983.6 million Parliamentary grant) to this total. Total expenditure is estimated to be R5.9 billion. However, given the need to realise far greater impact from STI, the applications for funding far exceed the funding available to the NRF.

The NRF states that (i) Transformation of the knowledge enterprise; (ii) Enhancing innovation within the NSI, (iii) Striving for excellence and international competitiveness; (iv) Sustainability, both of the knowledge enterprise and the environment, and (v) Accelerating impact of the knowledge enterprise on society, the economy, the environment and within the research enterprise will guide its decisions and priorities over the next five years.

### *South African National Space Agency*

The Space Agency's impact statement for 2025-2030 is "Contributing to inclusive economic growth and industrialisation, job creation, and a capable state through advancements in space science, engineering and technology". The Space Agency aims to, over the next decade, transition South Africa from being an emerging (a net consumer of imported space technology) to an intermediate (develop own space infrastructure and applications) space-faring nation. The success of this transition hinges on building national space industrial capabilities; expanding space-based infrastructure; integrating South African space products and services into the global space value chain; and using international cooperation to grow South Africa's space industrial capabilities.

The Space Agency's core priorities for 2025/26 are:

#### **Space Engineering**

- Complete 60% of the Howwteq Satellite Assembly Integration and Testing (AIT) Facility upgrades and advance the development of the constellation of high-resolution satellites.
- Establish the foundational elements for a national satellite launch capability. The goal is to deliver cost-effective, reliable space-based services and information through locally developed satellites and satellite systems.

### **Earth Observation**

- Develop Earth intelligence applications to address critical challenges, including food security, disaster risk reduction (early warning systems) and climate change.
- Expand SANSA’s offerings into emerging sectors such as health innovation, energy, mining, and financial services.

### **Space Operations**

- Complete 90% of the infrastructure at the Matjiesfontein (MTJ) Deep Space Ground Station.
- Increase commercial activities by hosting additional international facilities at Space Operations in Hartebeesthoek and supporting various mission launches, including at least three exploration missions.

### **Space Science**

- Finalise a financial sustainability plan for the Space Weather Capability (SWx), ensuring its long-term operational viability.
- Advance the integration of space science elements into the Space Infrastructure Hub (SIH), promoting innovation and collaboration across sectors.

### **Space exploration**

- Launch a recruitment programme for “Afronauts” and begin their training to participate in future human spaceflight missions.
- Actively contribute to BRICS+ space station and lunar research programmes, with a focus on space situational awareness and traffic management.

### **SANSA Growth and Sustainability Strategy**

- Implement the International Partnerships and Collaborations Strategy to attract investments in national space capability.
- Significantly grow the revenue generated from the selling of space-based products and services by all SANSA programmes.
- Implement transformation and industry development strategies, including accelerator programmes for start-ups and targeted support for MSMEs to stimulate the local space economy.
- Transition SANSA to a Schedule 3A entity with revenue-generating capabilities, enabling reinvestment in capacity and capability development to support its strategic objectives.

For 2025/26, SANSA estimates its total receipts to be R513 million, total operating expenditure to be R478.5 million and total cash expenditure to be R647 million. Space Infrastructure Hub funding is only included in years ending 31 March 2025 to 2027 and this affects the modest increase in total receipts with no SIH funding in 2028 to 2030.

The key risks affecting SANSA include:

- Financial sustainability pressures: Insufficient operational funding, rising operational costs and limited revenue streams, especially for projects such as the SWx, SIH and the Matjiesfontein Deep Space Network. The core issue is that SANSA receives funding for capital projects, but not for the operational expenditure needed to sustain operations after capitalisation, until a project generates enough revenue to support itself.
- Human capital constraints: SANSA stays under-resourced in its Earth Observation and Space Engineering programmes.
- Ageing infrastructure: growing maintenance costs and geographic challenges affect facility upgrades.
- Inadequate external brand visibility, limiting public awareness of SANSA's societal and economic contributions.
- Dependence on Schedule 3A restrictions limit flexibility in funding, cash retention and commercialisation efforts.

*Technology Innovation Agency*

2025/26 represents the first year of implementation of the TIA 2.0 Corporate Strategy that will, over the next decade, reconfigure and transform the TIA into a curator and leader in the innovation ecosystem. Key actions to ensure the success of the new strategy will be to strengthen TIA's capabilities, improve organisational structure and operational efficiencies and enhance the success of existing funding instruments and programmes. The new business model comprises three pillars of providing financial support; namely, through Direct Funding, the establishment of a Fund-of-Funds and the implementation of Strategic Innovation Programmes.

The TIA's strategic outcomes for 2025-2030 are:

- Intensified commercialised innovations in support of inclusive economic growth, sustainable development, and transformation.
- Enabling and strengthening the innovation ecosystem.
- A more capable, scaled-up, agile and sustainable TIA supporting a capable state.

Given the current economic conditions, investment funding is still a challenge as applications for funding far exceed the funding available. This is mitigated to some extent by leveraging funds for projects from other parties, including the co-funding of projects. The TIA has an allocation of R470 million for 2025/26 with a commitment book of R200 million, with around R270 million available for investments and operational expenditure. The modest quantum of available funding for new projects is a material risk for the TIA and places more emphasis on the need to source additional funding through strategic relationships with partners, both locally and internationally. The TIA estimates that additional funding will increase its total funding to R599.4 million. As part of the TIA 2.0 Strategy, the TIA will review its funding and revenue model to improve its access to capital in the future.

The key risks affecting the TIA include:

- Suboptimal organisational structure for implementing the TIA 2.0 strategy.
- Weak positioning with stakeholders.
- Operating in silos (internal fragmentation).
- Lack of cross-functional teams and an under-capacitated structure.
- Weak branding and marketing.

- Inadequate funding to respond to increased demand and dynamism of the innovation ecosystem.

## **5. CONCLUSION**

Science, technology and innovation have significant socio-economic development potential as it continually extends the boundaries of knowledge, enabling us to understand complex problems, develop sustainable energy solutions, create life-saving medical breakthroughs, enhance food security, and foster economic growth. For developing countries, STI, and specifically innovation, can support economic growth and employment, create sustainable livelihoods, and improve performance and service delivery. While innovation is not the only factor in faster economic growth, industrialisation, and inclusive development, it remains a fundamental catalyst.

The NDP and the 2019 White Paper on STI emphasises that the STI capability and infrastructure, which have been built over a number of years, must positively contribute to the development goals of the country. In this, the last 5-year phase of the current NDP, the 2025-2030 Strategic Plans and 2025/26 Annual Performance Plans of the Department and its entities look beyond developing STI capability and infrastructure but also look to further enhance the application of available STI knowledge in development and planning, so ensuring that the investment in STI delivers increasing positive impact on the lived realities of all citizens.

However, in a rapidly changing STI environment, continued usefulness and impact will only be realised with continued and increased investment in STI. Hence, the Department and its entities will continue to advocate for a larger share of the national budget for STI and foster greater participation and increased resource allocation from the private sector for STI. To narrow the gap between research outcomes and the market, the Department will develop a policy on the procurement of locally developed innovation aimed at introducing these technologies into critical sectors like public health, education, local government service delivery, and safety and security (police and defence). The Department will also continue to work towards the financial sustainability of South Africa's research institutions and science councils and continue to invest in knowledge and innovation infrastructure.

## **6. COMMITTEE OBSERVATIONS**

Stemming from its engagement with the Department and the entities, the Committee notes the following:

- 6.1.** The Committee congratulated Dr Cele on his appointment as the new Director-General of the Department.
- 6.2.** The budget allocation of the Department, which decreases by a further R377.5 million after the R1.1 billion decrease in 2024/25, is greatly concerning given that STI are key drivers of economic growth and sustainable development. In addition, the significance of the work of the Department and the entities is not supported by the funding that has been allocated from the fiscus.
- 6.3.** The continued decline of gross domestic expenditure on R&D (GERD) to 0.61% and private sector investment in RDI is of great concern.
- 6.4.** The Committee welcomes efforts to diversify and increase investment in RDI and specifically notes that the Department and the entities will, where possible, pursue Public-Private Partnerships to source needed funds. However, when sourcing additional private capital, both national and foreign, the Department and the entities must still be resourced at a level that adequately supports the national agenda and allows negotiations to be undertaken on an equal footing.
- 6.5.** The Committee notes the commendable advances in social transformation of the NSI but found that the lack of sufficient numbers of black and women scientists and science leaders in key areas of the NSI remains a concern.
- 6.6.** The Committee notes with concern the reduction in research support grants for black women researchers when the inclusion of women in the science system, as a key part of transformation efforts, is being emphasised.
- 6.7.** Given current geopolitical tensions, the Committee welcomes the establishment of the Working Group on Science, Technology and Innovation Funding, whose main purpose is to assess and advise the Minister on the implications and impact of the recent withdrawal of funding by the USA government from key research and development programmes in South Africa.
- 6.8.** The Committee welcomes that the:
  - 6.8.1.** Department will focus on leveraging critical agenda-setting instruments, most notably, the STI Presidential Plenary and the Inter-Ministerial Committee

(IMC) on STI to reset STI as a critical investment and strategic priority across key sectors of the economy and society.

- 6.8.2.** Department and the entities will work across government to forge more effective strategic partnerships with key STI-intensive departments, agencies, and state-owned enterprises to drive large-scale innovations that can lower the cost of living and business and stimulate inclusive growth.
  - 6.8.3.** Department and the entities will continue to ensure greater coherence and impact of existing interventions by continuing with targeted research and the development of technologies in key economic sectors such as energy, agriculture, mining, health, and the circular and digital economies and place a special focus on areas such as artificial intelligence.
  - 6.8.4.** Department and the entities will improve cooperation and the synergies between their various programmes.
- 6.9.** The Committee is cognisant that the portfolio of projects and programmes across the Department and the entities is extremely large. However, the Committee sought greater detail around the successes and relevance of the various portfolios and the extent of monitoring and evaluation efforts across programmes.
  - 6.10.** The Committee notes that the protection of IP remains an imperative and welcomes that efforts to commercialise IP stemming from publicly funded R&D will be enhanced.
  - 6.11.** The Committee notes that the TIA and NACI are being restructured to better implement their mandates and contribute to addressing national challenges.
  - 6.12.** The Committee remains perturbed by the lack of public awareness of the existence and work of the Department and its entities.
  - 6.13.** The Committee notes with concern that the CSIR's capabilities to support government is not optimally used by government. The Committee contends that better coordination is needed to promote the CSIR as a strategic partner for all government departments on matters pertaining to science and technology.
  - 6.14.** The Committee notes the decision to transfer the mandated responsibility for the National Space Policy from the Department of Trade Industry and Competition (DTIC) to the Department.
  - 6.15.** Given SANSa's historic and continued underfunding, the Committee notes that part of the Space Infrastructure Hub grant is being used for the EO-Sat1 build programme, which was placed on hold in 2018/19 pending the sourcing of additional funding to complete

the project.<sup>4</sup> However, the Committee is concerned by Denel's contractual involvement with SANSA given SANSA's meagre funding and Denel's financial and operational challenges, as well as its involvement in state capture. In addition, the Committee seeks clarity as to what was achieved, as well as the amount invested, before the EO-Sat1 project was placed on hold.

- 6.16.** The Committee expressed interest in the Department's central role in the G20 Summit since South Africa is host and will be taking a leading role in promoting STI initiatives, particularly in the African context.

## **7. COMMITTEE RECOMMENDATIONS**

The Portfolio Committee on Science, Technology and Innovation, having considered Budget Vote 35: Science, Technology and Innovation, recommends that:

- 7.1.** Given the constrained fiscal environment, the Committee supports the efforts of the Department and the entities to increase partnerships with the private sector to drive greater investment in R&D. However, the Committee cautions that due diligence be exercised to ensure that these partnerships are relevant, sustainable and adhere to good governance principles.
- 7.2.** The Committee noted the pending engagement between the Minister and the National Treasury on how to increase the STI budget. The Committee requests to be updated on the outcome thereof.
- 7.3.** The reduction in the target to support black women researchers be reconsidered.
- 7.4.** The Committee will schedule an engagement with the Minister on the findings of the Working Group on Science, Technology and Innovation Funding.
- 7.5.** The Committee will schedule an engagement with the Department to discuss the outcomes and actions stemming from previous IMC meetings and the 2024 STI Presidential Plenary.
- 7.6.** The Department and the entities institutionalise monitoring and evaluation across all programmes to better assess impact and inform the design and implementation of future programmes.

<sup>4</sup> South African National Space Agency, 2024. Annual Report 2023/24.

- 7.7. The Committee will continue its efforts, via joint meetings, to support the Department and the entities to forge more effective strategic partnerships with key STI-intensive departments, agencies and state-owned enterprises to enhance the uptake of locally developed technologies that can improve service delivery, modernise key industries and enhance the capability of the state. In this regard, the Committee will arrange, in 2025, joint meetings on the development of vaccine manufacturing capability and the development of a tracking tool for foot-and-mouth disease.
- 7.8. The Department and the entities explore options to broaden public awareness of their work.
- 7.9. The Committee requested that the Department brief them on the new plan and mandate of NACI once it is finalised.
- 7.10. The Committee commended the Minister for his decisive action regarding the TIA's governance issues and requested that the Committee be briefed on the outcomes of the TIA Institutional Review and the new TIA 2.0 Corporate Strategy.
- 7.11. The Committee will schedule an engagement with the Department and SANSA around the:
  - 7.11.1. Transfer of the mandated responsibility for the National Space Policy from the Department of Trade Industry and Competition (DTIC) to the Department.
  - 7.11.2. The structure and implementation of SANSA's Space Engineering Division, which has been dormant for many years.
  - 7.11.3. The historic and current relationship and contractual arrangements between SANSA and Denel.

The Economic Freedom Fighters and Umkhonto weSizwe have reserved their opinion on Vote 35.

**Report to be considered.**