

Wednesday, 13 May 2026]

No 82—2026] THIRD SESSION, SEVENTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS,

TABLINGS AND

COMMITTEE REPORTS

WEDNESDAY, 13 MAY 2026

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Membership of Committees

- (1) Hon. Nonkosi Queenie Mvana has been elected as the Co-Chairperson of the Joint Committee on Ethics and Members' Interests, with effect from 8 May 2026.

National Assembly

The Speaker

1. Membership of Committees

- (1) The following committee membership changes have been made by uMkhonto weSizwe Party:

Portfolio Committee on Trade, Industry and Competition

Appointed: Nkosi, Ms SI [Alternate]

Portfolio Committee on Land Reform and Rural Development

Discharged: Madlala, Mr KB
Discharged: Mthethwa, Mr ZE [Alternate]

Appointed: Mthethwa, Mr ZE
Appointed: Madlala, Mr KB [Alternate]

Portfolio Committee on Health

Discharged: Taaibosch, Mr G
Discharged: Mjadu, Mr TS [Alternate]

Appointed: Mjadu, Mr TS
Appointed: Taaibosch, Mr G [Alternate]

Portfolio Committee on Tourism

Appointed: Mokoena-Zondi, Mrs SMN [Alternate]

Portfolio Committee on Employment and Labour

Appointed: Mokoena-Zondi, Mrs SMN [Alternate]

National Council of Provinces

The Chairperson

1. Referral to Committees of papers tabled

- (1) The following paper is referred to the **Select Committee on Security and Justice** for consideration and report:
 - (a) Rules of Procedure made in terms of section 79(1) of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000), submitted to Parliament for approval.
- (2) The following paper is referred to the **Select Committee on Economic Development and Trade** for consideration:
 - (a) Memorandum of Understanding (MoU) between the Government of the Republic of South Africa and the Government of the Republic of Cote D'Ivoire on Economic Cooperation, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Trade, Industry and Competition

- (a) Memorandum of Understanding (MoU) between the Government of the Republic of South Africa and the Government of the Republic of Cote D' Ivoire on Economic Cooperation, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.
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COMMITTEE REPORTS

National Assembly and National Council of Provinces

1. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: HONOURABLE ASHLEY !QHOEKE SAULS, MP

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Ashley !Qhoeke Sauls, MP reports as follows:

INTRODUCTION

Ms Alice King ("the Complainant"), the Chairperson of the Council for the College of Cape Town ("the College") lodged a complaint against the Honourable Ashley !Qhoeke Sauls, MP ("the Member") of the Patriotic Alliance (PA). The Office of the Registrar of Members' Interests received the complaint on 4 November 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The Complainant states that the alleged contravention relates to comments made by the Member at a meeting of the Portfolio Committee on Higher Education ("the Portfolio Committee") on 15 October 2025. At that meeting, the Portfolio Committee received briefings from the Auditor-General of South Africa on the 2024/25 audit outcomes of the Department of Higher Education and Training ("the Department") and its entities, as well as a presentation from the Department on its 2024/25 Annual Report.

The Complainant alleges that during the Portfolio Committee meeting, the Member cast aspersions on her position as Chairperson of the College. The relevant engagement was between the Member and the Minister of the Department, Honourable Buti Manamela, MP, ("the Minister"), specifically with regard to the Department's responsibility to fill key positions at TVET Colleges, including positions of Principals at such institutions, with due regard to section 8(2)(a) of the Employment Services Act, 2014 (Act No. 4 of 2014) ("the Act"). That section states that "the employers must satisfy themselves that there are no other persons in

the Republic with suitable skills to fill a vacancy, before recruiting a foreign national”, whereby calling for positions only to be filled by foreign nationals where there is a scarcity of skills. The details of the Member and the Minister’s engagement turned on deliberations regarding the justification for the appointment of the Principal of the College –the Member reasoning that his appointment was in breach of section 8(2)(a) of the Act. In this engagement with the Minister on this issue, the Member made the following statement:

“To the Department again, I raised this issue before, still at the College of Cape Town, the Principal in, who is a Foreign National, employed his wife's relative as a CFO, was is also a Foreign National, and are paying things, doing things that is irregular, allegedly, and him and the CFO is the only two signatories on the funds that the Department gives, I have raised this before. And also the Council Chairperson, Ms King, who is suspended, claimed a R100 000 from the Department, she is still attending council meetings as we speak, and is paid R5 000 for every sitting. I have raised this before, so in terms of performance, what has the Department done since our last meeting to deal with that issue that was raised?”

The Complainant indicates that the above quoted and underlined statement by the Member was intentional and untrue, and as such impaired her dignity as the Council Chairperson. She reasons that a reasonable person would deduce from the Member’s statement that—

- a) there was prima facie a case of misconduct against her as Council Chairperson;
- b) she was acting in contravention of a lawful suspension; and
- c) she was placing a burden on the public purse by claiming exorbitant amounts from the College.

The Complainant holds that in creating this incorrect impression of her, the Member also mislead Parliament, the public, and the employees of the College.

Furthermore, the Complainant argues that freedom of speech should not protect the Member in this instance:

“Whereas it is trite that members of Parliament have a constitutionally entrenched freedom of speech, that freedom is not limitless, and members must at all times act in accordance with the public trust placed in them.”

The Complainant does not place specific reliance on any item of the Code in arguing that the Member is in breach but broadly calls on the “the Joint Committee on Ethics and Member’s Interest [to] investigate this conduct and impose the appropriate sanction thereunder”.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 15 November 2025.

The Member holds the view that the complaint “is a deliberate and cynical attempt to deflect attention from serious allegations of financial irregularity and profound conflicts of interest under her watch”.

The Member indicates that he stands by his statement made in the Portfolio Committee meeting and did not breach the Code: He reasons that firstly, his actions were in furtherance of his “constitutional mandate as a Member of Parliament for oversight”, and secondly, the exercise of his duties to engage in oversight allows for robust engagements with public entities “especially regarding the management of public funds”. The Member reasons that by engaging with the Minister in the meeting, he was acting in furtherance of his mandate as a Member as required by the Code, namely in that he was acting in a manner that—

- a) maintains and furthers public trust in him as a Member; and
- b) places the public interest above his own.

Although the Member does not expressly refer to such, it is clear from his reasoning that he is placing reliance on items 5(1)(d) and (e) of the Code.

As to the factual basis for the claims made as part of the Member’s statement, the Member in his reply showed reliance placed on a formal letter from the Minister regarding the term of office of the Complainant, as well as the College’s 2018 Remuneration of Non-Official Members: Commissions & Committees of Inquiry, and Audit Committees Policy, which places fees for members serving on those College bodies as between R4317 to R5230. He is of the view that he was acting on reliable information when he made his statement.

The Member accordingly holds the position that he did not violate the provisions of the Code: “I therefore urge the Committee to dismiss this vexatious complaint and allow the legitimate process of parliamentary oversight into the alleged governance and financial mismanagement at the College of Cape Town to proceed without undue obstruction.”

VIDEO FOOTAGE

The Portfolio Committee meeting of 15 October 2025 was broadcast on the YouTube channel for the Parliament of the Republic of South Africa. Footage of the meeting was considered for further context of the engagement between the Member and the Minister, as such engagement is central to the complaint. Context of the questions and engagements between the Member and the Minister (through the Chairperson of the Portfolio Committee) is found at time stamp 08:42:00 to 08:45:14. The specific statement by the Member which is central to the complaint is found at time stamp 08:48:08 to 08:49:13.

THE PROVISION OF THE CODE

Although the Complainant did not specifically identify an item of the Code which the Member is said to be in breach of, it is clear that item 5(1) of the Code is in question. Consideration of his response also reveals that the Member in turn argues that he did not breach the Code as he was acting in furtherance of the principles contained in item 5(1) of the Code.

Item 5(1) reads as follows:

“(1) A Member must-

- (a) abide by the principles, rules and obligations of this Code;
- (b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;
- (c) act on all occasions in accordance with the public trust placed in her or him;
- (d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;
- (e) maintain public confidence and trust in the integrity of Parliament and thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and
- (f) in the performance of her or his duties and responsibilities, be committed to the eradication of all forms of discrimination.”

COMMITTEE DELIBERATIONS

1. The Committee noted that the—
 - 1.1. Member does not deny making the statement which the Complainant alleges were misleading to the Portfolio Committee and impaired her dignity; and
 - 1.2. Member’s response to the complaint indicates that he was making the statement based on information at his disposal.
2. Nothing in the engagement between the Member and the Minister supports the view that the Member was intentionally trying to mislead the Portfolio Committee when making the impugned statement:

- 2.1. The video footage which reveals tone as context shows that the oversight engagement was cordial and measured, with the Member standing guided by the Chairperson of the Portfolio Committee as to the scope of the Member's engagement with the Minister. The Chairperson makes it clear that the Minister is not aware of the facts surrounding the issues relating to the College, and that the Minister will be allowed to trace those facts and report back later to not jeopardise any process.
- 2.2. During this engagement the Chairperson of the Portfolio Committee contextualises that there is thus "no definitive response", thereby indicating that the Committee is aware that the Member's line of questioning (and any response from the Minister) must not be perceived as a final pronouncement on the question of the appointment of the Principal and the circumstances surrounding that appointment. The circumstances surrounding logically includes any reference to the Complainant.
- 2.3. The statement by the Member appears to be made as an attempt to contextualise his understanding of the employment relationship between the Complainant, the Principal, and the College – this being said in pursuit of oversight with the aim of further future engagement with the Minister. This is clear from the use of phrases such as "just to show where my mind is at" and "allegedly" by the Member when questioning the Minister on the principles underlying section 8(2)(a) of the Act.
- 2.4. Even if it is later proven that the Member relied on incorrect facts or information when making the statement, there nevertheless appears no intent on the side of the Member to mislead the Portfolio Committee. The Member acted in good faith in engaging with the Minister in furtherance of parliamentary oversight through the work of the Portfolio Committee.
3. As the Complainant holds that the Member should not be allowed to rely on freedom of speech, the Committee also considered the scope of parliamentary privilege:
 - 3.1. Parliamentary privilege (also known as parliamentary immunity) is rooted in freedom of speech but is not absolute. The Constitution of the Republic of South Africa, 1996 indicates that it is subjects to House rules and orders, as well as legislative regulation.
 - 3.2. In interpreting the scope of this privilege, the Courts have made it clear that freedom of speech in House (and by extension committee) proceedings is a crucial guarantee in our democracy as it encourages full and effective deliberations without the fear of repercussions.

- 3.3. Parliamentary privilege advances effective government in pursuit of accountability. As Parliament by its very nature functions through deliberative processes, such as those reflected in the Portfolio Committee meeting of 15 October 2026, deliberation is only meaningful if members are afforded sufficient room to express themselves without fear of undue repercussions or persecution.
- 3.4. Parliamentary privilege should not be seen as a full proof shield that protects members who recklessly launches personal attacks. It should on a case-by-case basis be questioned whether a negative reference to a specific person can be properly contextualised as political speech which is legitimately of a dialogic nature and allowed as part of democratic engagement.
- 3.5. The Committee is of the view that the current complaint, properly contextualised, cannot be viewed as an unprotected personal attack. Accordingly, the Member's statement in the Portfolio Committee is protected by parliamentary privilege, as he is correct that allowance is made for robust oversight engagements.
4. Viewed in the proper context, the Committee holds the view that no definitive position was taken on the character of the Complainant as the Chairperson of the College Council, and her dignity cannot be said to have been impaired. Even if one could argue that her dignity was impaired due to the fact that the Member's statement can be taken out of context, the Member's engagement in the Portfolio Committee is protected by parliamentary privilege.

FINDING

The Committee finds that the complaint is unfounded.

REPORTED FOR INFORMATION

MS. N.Q. MVANA

MR. J.H.P. BRITZ

THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS



2. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: HONOURABLE GAYTON MCKENZIE, MP- THE MINISTER OF SPORT, ARTS AND CULTURE

The Joint Committee on Ethics and Members' Interests having considered the complaint against the Honourable Gayton McKenzie, MP, the Minister of Sport, Arts and Culture reports as follows:

INTRODUCTION

Honourable Athol Trollip, MP ("the Complainant"), a Member of Action SA, lodged a complaint against Honourable Gayton McKenzie, MP ("the Member"), The Minister of Sport, Arts and Culture. The Office of the Registrar of Members' Interests received the complaint on 21 November 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The Complainant states that on or about 29 September 2025 the Member issued a Departmental Statement claiming that he had called for an investigation into the "Mokoena-Gate" incident – a matter that nearly cost Bafana Bafana their place in the 2026 FIFA [Federation Internationale de Football Association] World Cup.

Then on or about 24 October 2025 in response to an internal question (Question 6101), the Member's response revealed that no investigation had been formally initiated by the Department of Sport, Arts and Culture ("the DSAC").

After this, in media interviews, the Member again asserted that an investigation had taken place and that "the matter is now closed". The Complainant states that the statements by the Member are inconsistent and cannot all be true. The Complainant states further that the Member is knowingly provided false and misleading information to the public and Parliament.

The Complainant states that the Member breached items 5(1)(c)-(e) of the Code. He also states that the Member's contradictory statements undermine the integrity and accountability of Parliament, it undermines public confidence in the Executive's commitment to transparency and the principle of ministerial responsibility.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 26 November 2025.

The Member states that he rejects the allegations made by the Complainant against him. That, he requested a “report” from the South African Football Association (“the SAFA”). SAFA provided a report to him which proved satisfactory and required no further response from him or the DSAC. It was on this basis that the Member told the media that he considered the matter finalised following SAFA’s investigation.

The Member states that it would have been problematic for him or the DSAC to conduct the investigation because SAFA is a national federation under FIFA. Mindful of the relationship between of FIFA and SAFA, he requested a report for the SAFA on the matter and upon their thorough investigation considered the matter finalised.

The Member states that the Complainant is ignorant of FIFA’s statutes or sport administration in general.

The Member also states that the Complainant and members of the Complainants political party have made him their political project. That they laid a baseless case against him at the Human Rights Commission and incorrectly discredited his work in Beaufort West, for which the Complainant entered an apology on the X- social media platform. The Member states that the conduct of the Complainant is unbecoming of a Member of Parliament.

The Member states that a breach under item 5(1)(e) of the Code, requires intentional deception.

THE PROVISIONS OF THE CODE

Item 5(1) of the Code provides as follows:

- “(1) A Member must-
- (a) abide by the principles, rules and obligations of this Code;
 - (b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;
 - (c) act on all occasions in accordance with the public trust placed in her or him;
 - (d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;
 - (e) maintain public confidence and trust in the integrity of Parliament and thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and
 - (f) in the performance of her or his duties and responsibilities, be committed to the eradication of all forms of discrimination.

COMMITTEE DELIBERATIONS

1. The Committee considered the chronological course of events as set out below relevant for the analysis of this matter, namely-
 - 1.1 The media statement wherein the Member allegedly states that DSAC will lead an “*investigation*” into the incompetence that led to the three-point sanction,
 - 1.2 A letter addressed by the Member to SAFA,
 - 1.3 The “*written reply*” to question 6101, and
 - 1.4 The media report by the Member that he accepts the “*report*” by the SAFA.

CHRONOLOGICAL EVENTS

The Media Statement by the Member – 29 September 2025

2. The media statement delivered by the Member reflects the following words:

“ ... The Department of Sport, Arts and Culture (DSAC) will lead a thorough investigation into the incompetence that led to this sanction. We are committed to uncovering the root causes of this failure and ensuring accountability. A comprehensive report will be compiled and shared with the public to provide clarity on this matter and prevent future occurrences. ...” (emphasis underlined)

Letter by the Member to SAFA- 16 October 2025

3. The Member addressed a letter to SAFA in which he formally requests a detailed report on the matter. A report is requested on the basis that,

“it is imperative that we prioritise transparency and accountability, particularly in light of the public’s valued interests in our national team’s performance. The fans deserve full reassurance that appropriate measures have been taken, including thorough accountability processes, consequence management for those responsible, and the implementation of robust remedial actions to prevent such a grave error from recurring in the future. “

Written reply to Question 6101- 24 October 2025

4. Question 6101 categorically asked the following:

“Whether, with regard to the management of the SA Football Association fielding an ineligible player during a 2026 FIFA World Cup qualifier, resulting in Bafana Bafana being docked three log points, he will furnish Mr AP Trollip with updated details regarding the (a) investigation he ordered into the matter, including its

terms of reference, (b) progress made to date and (c) timelines for the finalisation of the investigation? NW6829E

In response the written reply is as follows:

“I have as yet not ordered any investigation into the SA Football Association fielding an ineligible player during a 2026 FIFA World Cup qualifier, resulting in Bafana Bafana being docked three kg points, therefore (a, b & c) fall off.”
(emphasis underlined)

Media Report- 04 November 2026

5. On 4 November 2025 the Member reported in the media on the matter that it has been finalised in terms of the SAFA report and investigation which he accepts. [The media briefing was held at Freedom Park]

The Committee noted that, in September 2025 the Member indicated that the DSAC will lead an investigation into the matter. However, on 16 October 2025 the Member requested the SAFA to provide him with a report (after investigation) on the matter. The letter of 16 October 2025 places the written response of 24 October 2025 in context. An investigation was not commissioned by the DSAC because the Member asked the SAFA to investigate the matter and to report thereon. The Member's response to Question 6101 was truthful. He did not order that DSAC investigate the matter. Only after receiving the report from the SAFA did the Member indicate that the matter was finalised.

In the light of what is set out above, the Committee found that the Member's response to Question 6101 was truthful. Further, the Member did not mislead the public as he indicated in the media session on 04 November 2025 that he received a report from the SAFA and that SAFA completed a comprehensive investigation. It was clear that the Member was reporting on the process conducted by SAFA.

FINDING

The Committee found that the complaint is unfounded.

REPORTED FOR INFORMATION

MS.N.Q. MVANA

MR. J.H.P. BRITZ

THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS INTERESTS



3. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: THE DEPUTY MINISTER OF SOCIAL DEVELOPMENT: THE HONOURABLE MOGAMAD GANIEF HENDRICKS, MP:

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Mogamad Ganief Hendrikcks, MP, the Deputy Minister of Social Development, reports as follows:

INTRODUCTION

Honourable Alexandra Abrahams, MP, before her tenure as Deputy Minister of Trade, Industry and Competition ("the Complainant"), lodged a complaint against the Deputy Minister of Social Development, the Honourable Mogamad Hendricks, MP ("the Member"), a member of Al Jama-ah. The Office of the Registrar of Members' Interests received the complaint on 17 October 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The complaint is rooted in the following statement made by the Member on 23 July 2025 during a National Assembly sitting on the *Decision of Votes and Schedule: Appropriation Bill [B 16-2025] (s77), Vote 1: The Presidency*:

"Government provides a social grant when a child is born until 18 years, if the parents have no income. Those not going to university or college receive the social relief of distress grant the former COVID-19 grant until 60 years. We know that, after 60, there are also older persons grants. So, I fail to understand why honourable members say many go to bed hungry at night. South Africa has zero hunger if social grants are used to buy food. So, I cannot understand why these allegations are being made, and we must commend [President] Cyril Ramaphosa for achieving his objective."¹

The Complainant was aggrieved by this statement, as she holds the view that the Member denies that South Africa has a food security issue. The Complainant accordingly wrote to the Chairperson of the Portfolio Committee on Social Development ("the Portfolio Committee"),

¹ The quoted statement is as per the National Assembly Unrevised Hansard of 23 July 2025. Underlining added for emphasis.

requesting that the Member be afforded an opportunity to present evidence to support his statement.

At the Committee meeting of 10 September 2025, the Complainant consequently asked if the Member stood by his statement of 23 July 2025. The Member responded in the affirmative, and repeated the sentiment by way of the following statement:

“The honourable member raised the issue of starvation. Starvation is in Gaza not in South Africa. If she wants to understand starvation she must look there. In thirty years of our democracy, where have a unitary government 145 people that have been identified to have starved, we need to we need to unpack that more, but you know one swallow doesn’t make a summer and this in the thirty years of democracy we have a social grant for anyone from the cradle to the grave. No one need to die of starvation. I go to I visited at least a hundred villages and farms over the last fifteen months. The first thing I tell people is to apply for the grants. I wrap them over the knuckles and say that children under two are not getting nutrition, and that’s why we have 27% stunting. So, we go around telling people apply for the grants there is no reason to starve.”²

The Complainant is of the view that the Member’s statement of 23 July 2025 (so affirmed in the meeting of 10 September 2025) is contrary to factual statistics regarding inadequate food access, food insecurity, and malnutrition in South Africa. She therefore contends that the Member mislead Parliament in creating the impression that there is “no starvation in South Africa”, and in so doing breached items 3 and 5 of the Code by his failure to uphold the principles, rules and obligations as set out in the Code and Constitution of the RSA, 1996.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 11 November 2025.

The Member admits to making the above quoted statement of 23 July 2025 and being in the meeting of 10 September 2025 but professes to have no knowledge of the letter the Complainant addressed to the Chairperson of the Portfolio Committee.

He acknowledged that after his statement of 23 July 2025 he became aware that it may have been misunderstood. Consequently, a press statement was issued by Al Jama-ah to clarify his position to the extent that his “statement was ambiguous and led to the incorrect interpretation” of the sentiment he in fact intended to convey.

The Member explained that the use of the word “if” in his statement on 23 July 2025 is crucial to the context and meaning underlying the progressive position he was taking: “South Africa has zero hunger if social grants are used to buy food.”³

² Underlining added for emphasis.

³ Underlining added for emphasis.

He indicates that given the use of “if” as a qualifier, his statement expressed the view that although social grants have been budgeted for, the reality is that those facing hunger do not always apply for social grants. This reality in turn results in individuals who qualify for social grants (but do not apply for the grants) to “continue to face the daily struggle of hunger, necessitating greater intervention by the Department of Social Development, in collaboration with non-governmental organisations, to ensure that there are adequate measures and strategic planning in place to create awareness of the existence of an entitlement by such persons to these social grants”.

The Member also indicates that it is possible that the Complainant was not aware of the above referenced press statement to address any ambiguity or misinterpretation that may have surrounded his statement on 23 July 2025 when he addressed the Portfolio Committee on 10 September 2025, thereby creating a further misunderstanding, which in turn led the Complainant to hold the view that he was misleading Parliament.

In response to the claim that he misled Parliament, in terms of a perceived denial of any food related security issues experienced by South Africans, he accordingly states the following:

“I did not intend to either mislead Parliament or the public and that the purpose of making this statement [on 23 July 2025] served a greater good in the progressive advancement and realization of [the human rights of] every person living in South Africa ... in terms of section 27(1) of the Constitution to have access to *inter alia* sufficient food.”

THE PROVISIONS OF THE CODE

A reading of the complaint makes it clear that item 5(1) of the Code is in question, which reads as follows:

“(1) A Member must-

- (a) abide by the principles, rules and obligations of this Code;
- (b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;
- (c) act on all occasions in accordance with the public trust placed in her or him;
- (d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;
- (e) maintain public confidence and trust in the integrity of Parliament and thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and

- (f) in the performance of her or his duties and responsibilities, be committed to the eradication of all forms of discrimination.”

COMMITTEE DELIBERATIONS

1. The Committee noted that a misunderstanding of intent appears to be at the centre of the complaint. If the statement made by the Member on 23 July 2025 is grammatically considered, the word “if” has significant meaning. Accordingly, the sentiment that the Member tried to convey was that “if” available social grants were applied for and in fact used by those qualifying for those grants then there should not be a situation in South Africa where people are faced with the daily struggle of hunger.
2. The Complainant mistook the Member’s statement as an absolute denial that anyone in South Africa faces the struggle of hunger on a daily basis, where in actual fact the Member was speaking from a progressive perspective that in terms of the social grants available in South Africa, “if” used by those in need, there should not be any hunger in South Africa. In doing so, the Member was postulating that the reality of hunger is not a provision issue but a use and implementation issue when it comes to social grants.
3. The Committee reflected that the Member’s statement that “South Africa has zero hunger if social grants are used to buy food” could perhaps have been more accurately phrased as “South Africa would have zero hunger if social grants are applied for and used to buy food”, but his use of the word “if” does convey his sentiment that his statement should be read as qualified and not an absolute statement of fact.
4. The Committee took into consideration that the Member indeed took proactive steps after the sitting on 23 July 2025 to address any ambiguity or misunderstanding that may have been assigned to his statement and found that there was no intent by the Member to mislead Parliament, when the proper grammatical meaning is given to the statement in question.

FINDING

The Committee found that the complaint is unfounded.

REPORTED FOR INFORMATION

MS. N.Q. MVANA

MR. J.H.P. BRITZ

THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS’ INTERESTS



4. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: HONOURABLE ASHLEY !QHOEKE SAULS, MP

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Ashley !Qhoeke Sauls, MP reports as follows:

INTRODUCTION

Mr Manager Mhangarai Muswaba ("the Complainant"), the Principal and Accounting Officer at the College of Cape Town ("the College") lodged a complaint against the Honourable Ashley !Qhoeke Sauls, MP ("the Member") of the Patriotic Alliance. The Office of the Registrar of Members' Interests received the complaint on 04 November 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The Complainant states that the alleged contravention relates to comments made by the Member at a meeting of the Portfolio Committee on Higher Education ("the Portfolio Committee") on 15 October 2025. At that meeting, the Portfolio Committee received briefings from the Auditor-General of South Africa on the 2024/25 audit outcomes of the Department of Higher Education and Training ("the Department") and its entities, as well as a presentation from the Department on its 2024/25 Annual Report.

The Complainant alleges that during the Portfolio Committee meeting, the Member cast aspersions on him as a foreign national not lawfully appointed to the position he holds as Principal of the College. The engagement between the Member and the Minister of the Department of Higher Education and Training, Honourable Buti Manamela, MP, ("the Minister") specifically has regard to the Department's responsibility to fill key positions at TVET Colleges, including positions of Principals at such institutions, with due regard to section 8(2)(a) of the Employment Services Act, 2014 (Act No. 4 of 2014) ("the Act"). That section states that "the employers must satisfy themselves that there are no other persons in the Republic with suitable skills to fill a vacancy, before recruiting a foreign national", whereby calling for positions only to be filled by foreign nationals where there is a scarcity of skills. The details of the Member

and the Minister's engagement turned on deliberations regarding the justification for the appointment of the Principal of the College –the Member reasoning that his appointment was in breach of section 8(2)(a) of the Act.

The Complainant indicates that the Member cast aspersions as to—

- a) him being a “foreign national”;
- b) there being no justifications for his appointment as the Principal of the College;
and
- c) his appoint not being legal.

The Complainant indicates that prior to the meeting of 15 October 2025, he appeared in front of the Portfolio Committee on 10 September 2025 and clarified his status as a “naturalised South African” as opposed to a “foreign national”. The Complainant further holds that that neither the Member nor the Minister “have knowledge regarding the processes or circumstances” surrounding his appointment.

In addition to the scope of the Act, the Complainant also relies on the Public Service Act, 1994 (Act No. 103 of 1994), as read with applicable schedules and policies, and Constitutional Court jurisprudence to draw a distinction “a legal distinction between a ‘foreign national’ and a ‘permanent resident’ or naturalised citizenship, as the latter is entitled to enjoy the rights and privileges that come with a citizen of the country”.

The Complainant holds that he was appointed as Principal of the College after a lawful, competitive recruitment process, and that the statements made by the Member has impaired his “dignity, caused the College reputational harm and promoted a xenophobic narrative”. It is further asserted by the Complainant that any objective person who has regard to the Member's statement would reasonably deduce that—

- a) “[f]oreign nationals (such as myself) have infiltrated high-ranking positions which could be filled by South Africans; and
- b) “[t]he College has [been] perpetuating unlawfulness first through disregard and non-compliance with prevailing legislation”.

The Complainant holds that in creating this incorrect impression of him, the Member also mislead Parliament, the public, and the employees of the College.

Furthermore, the Complainant argues that freedom of speech should not protect the Member in this instance:

“Whereas it is trite that members of Parliament have a constitutionally entrenched freedom of speech, that freedom is not limitless, and members must at all times act in accordance with the public trust placed in them.”

The Complainant does not place specific reliance on any item of the Code in arguing that the Member is in breach but broadly calls on the “the Joint Committee on Ethics and Member’s Interest [to] investigate this conduct and impose the appropriate sanction thereunder”.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 18 November 2025.

The Member holds the view that his statements relating to questions surrounding the appointment of the Complainant as Principal of the College “were necessary and responsible” in the execution of his duties as a Member of Parliament. The Member is of the view that in making the statements he on all occasions acted in accordance with the public trust, placing the public interest above his own, and adhering “to the principle of Objectivity by ensuring that public business is carried out only on the basis of merit and in accordance with Constitutional imperative”. In acting with these standards in mind, the Member saw it necessary to inquire as to the appointment of the Principal of the College as practices surrounding his appointment directly relates to protecting the public good and public finances, which falls within the scope of the oversight mandate of Parliament.

The Member disputes the Complainant’s claim that he at the meeting of 10 September 2025 clarified his status as a naturalised South African as opposed to being a foreign national.

Although the Member does not expressly refer to such, it is clear from his reasoning that he is placing reliance on items 5(1)(d) and (e) of the Code. The Member describes the complaint as “clearly retaliatory” in response to “legitimate parliamentary oversight into his person conduct” as the Principal of the College

The Member holds the view that he did not violate the provisions of the Code. He further calls on the “Committee on Ethics and Member’s Interests ... to consider this serious potential abuse of public funds [by the Complainant in pursuing the complaint] as part of its investigation”.

VIDEO FOOTAGE

Consideration was given to video footage of the meeting of 10 September 2025 as broadcast on the YouTube channel for the Parliament of the Republic of South Africa. Such consideration assists in reflecting on the dispute of fact raised by the Member in response to the Complainant holding that he has already sufficiently addressed his status during an appearance in front of the Portfolio Committee.

Drawn from the video footage at time stamp 05:07:12, the following is a transcript of the engagement between the Member (M) and the Complainant (C) at the meeting of 10 September 2025 in so far as the Complainant's nationality:

M: Where were you born?

C: I was born in Harare, Zimbabwe.

M: So, you are Zimbabwean?

C: Yes.

M: The position of the Principal of the College, is that a scarce skill?

C: I don't know.

M: I'll tell you, it's not, and you are occupying it.

M: Where is your CFO born?

C: Zimbabwe.

M: So, we have a principal of a college, we have the CFO of the same collage, who are both not South Africans, and are occupying positions that South Africans can occupy. You agree?

[Pause]

Do you agree, sir?

C: No.

M: That you don't agree...

C: No, I don't agree.

M: ... that South Africans can occupy the position you hold and the position that the CFO holds?

C: Yes, they can because we have we have principals who are also South African.

M: So, why do you not agree? Why do you say you don't?

C: I don't agree that I can only I cannot um uh occupy it. That's what I am saying.

M: I'm telling you that's what our law says that if there's a position that is not a scarce skill that a qualified South African by birth can occupy, such a position like yours and that of the CFO is preserved for South Africans.

C: That I cannot answer because I'm not the one who...

- M: That's not a question, it's a statement. I'm stating that to you. I'm not asking that part to you. I'm stating it to you. And it is even more aggravating that you then have this posture of entitlement, and it affects your behaviour at the institution and I can prove it.

This is the only engagement on nationality that is traceable in the video footage of the Portfolio Committee meeting of 10 September 2025. The tone of the Member throughout his engagement with the Complainant at that meeting appeared to be cordial and measured.

THE PROVISION OF THE CODE

Although the Complainant did not specifically identify an item of the Code which the Member is said to be in breach of, a reading of the complaint makes it clear that item 5(1) of the Code is in question. A consideration of his response also reveals that the Member in turn argues that he did not breach the Code as he was acting in furtherance of the principles contained in item 5(1) of the Code.

Item 5(1) reads as follows:

“(1) A Member must-

- (a) abide by the principles, rules and obligations of this Code;
- (b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;
- (c) act on all occasions in accordance with the public trust placed in her or him;
- (d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;
- (e) maintain public confidence and trust in the integrity of Parliament and thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and
- (f) in the performance of her or his duties and responsibilities, be committed to the eradication of all forms of discrimination.”

COMMITTEE DELIBERATIONS

1. The Committee noted that the Member does not deny making the statement which the Complainant alleges were misleading to the Portfolio Committee and impaired his dignity.
2. At the 10 September 2025, the Member was directly engaging the Complainant in person with questions following presentations received on the state of affairs at the College of Cape Town, one being the question whether he should hold the post as Principal given that he was born in Zimbabwe. At the meeting of 15 October 2025, the Member engaged the Minister directly in questions that attempted to probe this issue further considering the scope of section 8(2)(a) of the Act. Both engagements appeared to be measured and in furtherance of the Member's participation in the oversight functions of the Portfolio Committee.
3. The Committee observed that there appears to be a disagreement between the Member and the Complainant as to whether the Complainant is a "foreign national" for purposes of section 8(2)(a) of the Act.
 - 3.1. The Act defines a "foreign national" as "an individual who is not a South African citizen or does not have a permanent residence permit issued in terms of the Immigration Act".
 - 3.2. The Complainant holds the view that the issue of his nationality was sufficiently addressed at the meeting of 10 September 2025. As far as the Portfolio Committee meeting video footage shows, the only aspect that was established (as quoted here above with reference to video footage) is that the Complainant was born in Zimbabwe and that he is of view that he was legally appointed.
 - 3.3. There is a contradiction by the Complainant himself also, as he refers to himself both as "a naturalised South African as opposed to a 'foreign national'" and as "Foreign nationals (such as myself)".
 - 3.4. It is likely that the Complainant was under the impression that he may have sufficiently clarified his status, but that the Member did not similarly regard the issue as asked and answered. Thus, there was no impediment in the Member at the meeting of 15 October 2025 requesting the Minister to look into the facts surrounding his appointment as the Member had questions regarding nationality for purposes of the application of section 8(2)(a) of the Act.
4. As to the claims regarding the Member's line of questioning promoting "a xenophobic narrative", the Committee had consideration as to the scope of that concept: Xenophobia can be described as "attitudes, prejudices and behaviour that reject, exclude and often vilify persons, based on the perception that they are outsiders or foreigners to the

community, society or national identity”.¹ In considering the content, style, and tone of the line of questioning employed by the Member at both the meetings of 10 September 2025 and 15 October 2025, the Committee found that the Member’s questions and statements fall short of the description so assigned to xenophobia.

5. The Committee further observed that nothing in the engagement between the Member and the Complainant, and the Member and the Minister (about the Complainant) supports the view that the Member was intentionally trying to mislead the Portfolio Committee when making the impugned statement.
 - 5.1. The line of oversight questioning and engagement by the Member showed him to be cordial and measured at both referenced Portfolio Committee meetings.
 - 5.2. The statement by the Member appears to be made as an attempt to contextualise his understanding of the process that is said to have legitimised the appointment of the Complainant as Principal of the College. Statements to the Minister at the meeting of 15 October 2025 were made in pursuit of oversight with the aim of further future engagement with the Minister who was tasked to go look into the facts surrounding the appointment of the Complainant.
 - 5.3. Even if it is later proven that the Member was incorrect in his prima facie position that the Complainant should not have been appointed due to his presumed Zimbabwean nationality when making the statement, there nevertheless appears no intent on the side of the Member to mislead the Portfolio Committee. The Member acted in good faith in engaging with the Complainant and the Minister (at the respective meetings) in furtherance of parliamentary oversight through the work of the Portfolio Committee.
6. As the Complainant holds that the Member should not be allowed to rely on freedom of speech, the Committee also had consideration as to the scope of parliamentary privilege:
 - 6.1. Parliamentary privilege (also known a parliamentary immunity) is rooted in freedom of speech but is not absolute. The Constitution of the Republic of South Africa, 1996 indicates it is subject to House rules and orders, as well as legislative regulation.
 - 6.2. In interpreting the scope of the privilege, the Courts have made it clear that freedom of speech in House (and by extension committee) proceedings is a crucial guarantee in our democracy as it encourages full and effective deliberations without the fear of repercussions.

¹ UNHCR Guidance on Racism and Xenophobia, <https://www.unhcr.org/media/unhcr-guidance-racism-and-xenophobia> (last accessed 4 May 2026).

- 6.3. Parliamentary privilege advances effective government in pursuit of accountability. As Parliament by its very nature functions through deliberative processes, such as those reflected in the Portfolio Committee meeting of 15 October 2026, deliberation is only meaningful if members are afforded sufficient room to express themselves without fear of undue repercussions or persecution.
- 6.4. Parliamentary privilege should not be seen as a full proof shield that protects members who recklessly launches personal attacks. It should on a case-by-case basis be questioned whether a negative reference to a specific person can be properly contextualised as political speech which is legitimately of a dialogic nature and allowed as part of democratic engagement.
- 6.5. According to the Committee, the current complaint, properly contextualised, cannot be viewed as an unprotected personal attack. As such, the Member's statements in the Portfolio Committee is protected by parliamentary privilege, as he is correct that allowance is made for robust oversight engagements.
7. Viewed in the proper context the Committee observed that no definitive position was taken by the Member that can be said to impair the dignity of the Complainant as the Principal of the College, and as such his dignity cannot be said to be impaired. Even if one could argue that his dignity was impaired due to the fact that the Member's statement can be taken out of context, the Member's engagement in the Portfolio Committee is protected by parliamentary privilege.

FINDING

The Committee finds that the complaint is unfounded.

REPORTED FOR INFORMATION

MS. N.Q. MVANA

MR. J.H.P. BRITZ

THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS

National Assembly

1. REPORT OF THE PORTFOLIO COMMITTEE ON MINERAL AND PETROLEUM RESOURCES ON THE 2026/27 ANNUAL PERFORMANCE PLAN AND BUDGET OF THE DEPARTMENT OF MINERAL AND PETROLEUM RESOURCES (VOTE 34), DATED 12 MAY 2026

The Portfolio Committee on Mineral and Petroleum Resources (hereafter, the Committee), having considered the 2026/27 Annual Performance Plan (APP) and Budget of the Department of Mineral and Petroleum Resources (DMPR) reports as follows:

1. INTRODUCTION

The Parliament of the Republic of South Africa has a constitutional obligation to oversee the work, expenditure and use of public resources by the Executive, as provided for in Section 55(2)(a) and (b) of the Constitution of the Republic of South Africa, 1996. Furthermore, Section 77(3) of the Constitution stipulates that an Act of Parliament must provide for a procedure to amend Money Bills before Parliament. This constitutional provision resulted in the enactment of the Money Bills Amendment Procedure and Related Matters Act, which establishes the framework through which Parliament may make recommendations to the Minister of Finance to approve, reject or amend the budget allocations of national departments.

In this regard, Parliament, through its committees and oversight mechanisms, serves as the custodian of public resources and is responsible for ensuring fiscal discipline, accountability and cost-effectiveness in the utilisation of state funds for the benefit of all citizens. Accordingly, Parliament is required to assess departmental plans and conduct regular oversight, performance reviews and annual assessments of the Department of Mineral and Petroleum Resources and its entities.

The Department's Strategic Plan and APP form part of government's Medium-Term Development Plan and provide strategic direction to the Department, its entities, statutory bodies and the broader mineral and petroleum resources sector, including the Department's

social and business partners. These plans are aligned to government priorities as articulated in the MTDP 2024–2029 and contribute towards the realisation of the National Development Plan.

The purpose of this report is therefore to present to the National Assembly the findings, observations and recommendations of the Portfolio Committee on Mineral and Petroleum Resources following its evaluation and assessment of the APP and Budget of the Department of Mineral and Petroleum Resources.

2. THE COMMITTEE PROCESS

The APPs of departments and entities are due for tabling in Parliament by the end of the preceding financial year, namely 31 March 2026. The national government financial year runs from 1 April to 31 March. Accordingly, the 2026/27 financial year commenced on 1 April 2026 and will end on 31 March 2027.

During April of each year, government departments brief the relevant parliamentary committees on their budgets and Annual Performance Plans. Thereafter, committees compile and adopt Budgetary Review and Recommendation Reports containing findings and recommendations requiring the attention and implementation of the relevant Executive Authority. These reports are subsequently published in the ATC (Announcements, Tablings and Committee Reports). For a report to be considered and debated by the National Assembly (NA), it must first be tabled and published in the ATC before being scheduled for debate in the House.

Ordinarily, departmental briefings on budgets and APPs take place during April, while committee reports and budget votes are finalised and adopted by no later than May each year. The Portfolio Committee on Mineral and Petroleum Resources received briefings from the Department of Mineral and Petroleum Resources and its entities on their Annual Performance Plans and Budgets on 21 April and 6 May 2026.

3. THE DEPARTMENT OF MINERAL AND PETROLEUM RESOURCES

The constitutional mandate of the Department of Mineral and Petroleum Resources is primarily derived from Section 24(b)(iii) of the Constitution of the Republic of South Africa, 1996, which guarantees environmental protection through sustainable development, and Section 25 of the Bill of Rights, which guarantees the right to ownership and enjoyment of property.

The legislative mandate of the Department is derived from the mining and petroleum resources sectors, which are regulated through several pieces of legislation. Key regulatory legislation includes, amongst others:

- The Mineral and Petroleum Resources Development Act, which provides the regulatory framework for equitable access to and the sustainable development of mineral and petroleum resources and related matters.
- The Mine Health and Safety Act, which governs mine health and safety.
- The Precious Metals Act, which provides for the acquisition, possession, smelting, refining, beneficiation, use and disposal of precious metals.
- The Diamond Act, which provides for the establishment of the South African Diamond Board and regulates the possession, purchase, sale, processing and export of diamonds.

The Department indicated that, for the five-year planning period, its institutional policies and strategies are centred around the following three core priorities:

1. Driving inclusive growth and job creation;
2. Reducing poverty and addressing the high cost of living; and
3. Building a capable, ethical and developmental state.

These priorities are aligned with the National Development Plan, which sets out South Africa's long-term vision for economic transformation and inclusive growth. The priorities are further linked to the Medium-Term Development Plan, which serves as the strategic framework outlining government's short- to medium-term plans for achieving the objectives of the NDP 2030. In addition, the priorities are aligned to the District Development Model, which seeks to improve service delivery, economic growth and spatial transformation at district level.

In order to effectively and efficiently execute its mandate, the Department is structured into the following four programmes:

- Programme 1: Administration
- Programme 2: Mineral and Petroleum Regulation
- Programme 3: Mining and Minerals Policy Development
- Programme 4: Mine Health and Safety

The Portfolio Committee on Mineral and Petroleum Resources, through Parliament, is entrusted with the responsibility of ensuring that the Department delivers on its constitutional and legislative mandate.

3.1 Policy Priorities of the Department for 2026/27

Over the medium term, the Department states that it will focus on ensuring transformation and effective regulation within the mining and petroleum sectors; enforcing, monitoring and evaluating compliance with mine health and safety requirements; rehabilitating derelict and ownerless mines; promoting investment in the mining sector; and improving efficiency and transparency in the granting of mining rights, permits and licences through the implementation of a mining cadastre licensing system. According to the Department, these interventions are intended to support a mining sector that prioritises the wellbeing of workers and environmental sustainability, while also ensuring an adequate supply of liquid fuels to sustain economic activity and prevent supply disruptions.

Accordingly, the Department identified the following priorities for the mining sector during the 2026/27 financial year:

- Review of the Mineral and Petroleum Resources Development Act;
- Promotion of mineral exploration;
- Formalisation and support of artisanal and small-scale mining;
- Implementation of the cadastral system across all nine provincial regions;
- Monitoring the implementation of the critical minerals strategy;
- Conducting an assessment of the state of South Africa's smelters and developing an implementation plan to support the revival of the industry;
- Rehabilitation of ownerless and derelict mines; and
- Intensifying efforts to combat illegal mining activities.

For the 2026/27 financial year, the Department further identified collaboration with the private sector as a key priority within the petroleum sector. This includes facilitating investment in the production, storage and transportation of liquid fuels, as well as enhancing exploration and refining capacity.

These objectives are expected to be advanced through the development and implementation of a Petroleum Sector Development Plan, together with the establishment of a Public-Private Partnership (PPP) Framework for Petroleum Infrastructure Investments aimed at mobilising funding, improving infrastructure and strengthening national energy security.

3.2 Overall budget allocation of the Department

As mentioned in the preceding section, the Department has four (4) programme areas, namely: (1) Administration, (2) Mineral and Petroleum Regulation, (3) Mine Health and Safety, (4) Mining and Minerals Policy Development. Each of the mentioned programme areas consist of their respective sub-programmes. Below is an analysis of the annual performance target for each programme.

3.2.1 Programme 1: Administration

The focus of this programme is to ensure that the Department consists of the necessary support services in order to fulfil its mandate and achieve its strategic objectives. The department indicates that the primary objective of this programme is to ensure that the Department is well organised, digitally advanced, and reflective of a transformed workforce with race, gender and youth representation that has the necessary technical and regulatory capacity and skills to ensure effective contribution to the mineral and petroleum sectors.

1. Unqualified audit opinion for 2026/27.
2. Eighty (80) percent of reported incidents of corruption requiring investigation referred within 90 days
3. One hundred (100) percent of approved invoices from service providers paid within 30 days of receipt.

4. One hundred (100) percent of received shareholder compacts and corporate plans of Schedule 2 State Owned Entities reviewed, and ministerial submission produced
5. One hundred (100) percent of received schedule 3A State Owned Entities Annual Performance Plans reviewed and tabled in Parliament for 2026/27
6. One hundred (100) percent of received State Owned Entities Schedule 2,3A and 3B quarterly performance reports reviewed, and Ministerial submission produced
7. One hundred (100) percent of received State Owned Entities Annual Reports reviewed and submitted for Minister's consideration and approval
8. One hundred (100) percent of identified departmental processes digitised
9. Two (2) reports on the implementation of the gender responsive planning, budgeting, monitoring, evaluation and auditing framework, youth and persons with disabilities produced

In terms of resource allocation, the administrative programme accounts for R630.1 million or 22.05 per cent of the total budget allocation. In the previous financial year, the programme had an allocation of R605.7 million or 21.8 percent of the total budget. Table 1 below delineates the administrative programme budget with the respective sub-programmes more succinctly.

Programme 1: Administration

Programme 1: Administration	2022/23	2023/24	2024/25	2025/26		2026/27	2027/28	2028/29
	Audited outcome	Audited outcome	Audited outcome	Main appropriation	Adjusted Appropriation	Indicative baseline	Indicative baseline	Planning baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Sub-programmes								
Ministry	39,702	42,722	37,703	43,146	39,646	45,983	47,554	49,016
Departmental Management	31,672	38,185	29,089	37,108	42,608	35,478	37,056	38,159
Internal Audit	18,130	19,552	17,382	20,055	19,055	20,156	20,782	21,347
Finance Administration	80,339	77,225	78,022	80,007	81,470	90,171	92,741	95,142
Corporate Services	254,936	263,141	307,470	289,896	285,896	304,112	316,694	327,996
Office Accommodation	129,069	134,377	166,870	135,495	127,995	134,167	138,664	142,622
Total	553,848	575,202	636,536	605,707	596,670	630,067	653,491	674,282

Source: Department of Mineral and Petroleum Resources, 2026

3.2.2 Programme 2: Minerals and Petroleum Regulation

Programme 2 is focused on regulation of the mining, minerals and petroleum sectors in order to promote economic growth, employment, transformation and sustainable development. For

the 2026/27 financial year, the department has indicated seventeen (17) performance targets for this programme. In 2025/26 this programme had twenty-three (23) performance targets.

The 2026/27 performance targets are as follows:

1. 212 Social and Labor Plan inspections conducted
2. 150 legal compliance inspections
3. 500 mining economics inspections conducted
4. 1374 environmental inspections conducted
5. 1500 petroleum retail and wholesale site compliance inspections conducted
6. 1080 fuel samples tested
7. Reviewed fuel pricing formulae submitted to the Minister for approval
8. Twelve (12) Audit reports on fuel price adjustments (external auditors)
9. 2470 mining rights, prospecting rights and mining permits applications finalised
10. New mining cadastral system rolled out in 8 regions
11. Draft petroleum sector development plan including pricing framework submitted to Cabinet for approval
12. Two (2) mine ingress control measures implemented
13. Three (3) derelict and ownerless mine sites rehabilitated
14. Forty (40) unsafe mine shafts sealed off
15. Five (5) small scale miners financially supported
16. Twenty (20) small scale miners technically supported
17. Fifty (50) new to industry petroleum retail licenses granted

In terms of the resources allocation for achieving the above-mentioned performance targets, for 2026/27 programme 2 is allocated R799.1 million or 27.97 percent of the total budget. In comparison to 2025/26 financial year programme 2 was allocated R791,3 million, or 27.67 percent of the department's budget. This allocation includes transfer payments to South African Diamond and Precious Metals Regulator (R70.46 million), Petroleum Agency of South Africa (R94.98 million) and the Industrial Development Corporation for assistance to the small-scale miner's fund (R31.12 million). In total, transfer payments accounts for 25.32 percent of the programmes total budget. Table 2 below provides the programme budget with the respective sub-programmes.

Table 2: Programme 2: Minerals and Petroleum Regulation

Programme 2: Mineral and Petroleum Regulation	2022/23	2023/24	2024/25	2025/26		2026/27	2027/28	2028/29
	Audited outcome	Audited outcome	Audited outcome	Main Appropriation	Adjusted Appropriation	Indicative baseline	Indicative baseline	Planning baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Sub-programmes								
Minerals and Petroleum Management	49,533	48,883	49,470	59,686	56,889	59,406	62,181	64,047
Mineral Regulation and Administration	386,044	401,669	400,664	399,675	407,875	417,245	438,408	453,604
Petroleum Licensing and Fuel Supply	62,001	66,197	68,058	66,785	72,785	69,722	73,318	75,555
Minerals Compliance and Enforcement Management	210,144	202,700	398,597	232,957	231,657	231,628	240,336	248,069
Petroleum Compliance Monitoring, Enforcement and Fuel Pricing	21,776	25,120	18,323	32,171	28,468	21,180	22,148	23,389
Total	729,498	744,569	935,112	791,274	797,674	799,181	836,391	864,664

Source: Department of Mineral and Petroleum Resources, 2026

3.2.3 Programme 3: Mine Health and Safety Inspectorate

The focus of Programme 3 is to execute the mandate of safeguard the health and safety of mine employees, nearby communities and people affected by mining activities. The department had nine (9) performance targets in 2025/26, and has indicated in its 2026/27 APP that this programme has the same nine (9) performance targets, namely:

1. Conduct 8 000 qualitative inspections cumulatively, including individual and group audits.
2. Complete 85 per cent of investigations initiated during the year.
3. Complete 80 per cent of inquiries initiated during the year.
4. Submit one Mine Health and Safety Annual Report to Parliament.
5. Conduct 50 occupational health and safety regional tripartite workshops.
6. Achieve 80 per cent adherence to prescribed timeframes for medical appeals received during the year.
7. Achieve 100 per cent adherence to prescribed timeframes for Chief Inspector of Mines appeals received during the year.
8. Achieve 90 per cent adherence in processing Mineral and Petroleum Resources Development Act Applications received during the year.
9. Achieve 100 per cent adherence to the prescribed policy timeframes for the administration of Government Certificate of Competency examinations.

The Mine Health and Safety Inspectorate is allocated R276.6 million which is 9.68 percent of the total department budget for 2026/27. In 2025/26 this programme was allocated R239.08 million. This allocation includes transfer payments to the Mine Health and Safety Council of R4.89 million. Table 3 below unpacks this budget allocation and the respective sub-programmes.

Table 3: Programme 3: Mine Health and Safety Inspectorate

Programme 3: Mine Health and Safety Inspectorate (MHSI)	2022/23	2023/24	2024/25	2025/26		2026/27	2027/28	2028/29
	Audited outcome	Audited outcome	Audited outcome	Main Appropriation	Adjusted Appropriation	Indicative baseline	Indicative baseline	Planning baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Sub-programmes								
Mine Health and Safety Management	8,271	9,945	8,892	9,562	10,562	10,037	10,473	10,803
Mine Health and Safety Regions	193,880	202,603	217,390	212,979	212,979	249,185	260,014	269,289
Occupational Health	15,946	16,605	17,674	16,544	18,144	17,449	18,246	18,774
Total	218,097	229,153	243,956	239,085	241,685	276,671	288,733	298,866

Source: Department of Mineral and Petroleum Resources, 2026

3.2.4 Programme 4: Mining, Minerals and Petroleum Policy Development

This programme is focused on developing minerals and petroleum policies that aim to drive transformation, investment and sustainable development in the respective sectors.

For the previous financial year this programme had eleven (11) performance targets, however in 2026/27 the department indicates that it has six (6) performance targets, namely:

1. Submission of the Mineral Resources Development Amendment Bill to the Minister for onward submission to Parliament.
2. Submission of the Diamond Amendment Bill to the Minister for onward submission to Parliament.
3. Submission of the draft petroleum strategic stock policy to the Minister for onward submission to Cabinet.
4. Production of two reports on the Junior Mining Exploration Fund.

5. Production of four reports on the implementation of Department-led initiatives contained in the critical minerals strategy.
6. Production of four progress reports on the economic viability of shale gas exploration in South Africa.

Programme 4 has an allocation of R1.1 billion or 40.29 percent of the department total budget. In 2025/26 this programme was allocated R1.2 billion or 42.79 percent of the total budget. This allocation includes transfer payments to Mintek (R328.7 million), Council for Geoscience (R666.91 million). Table 4 below unpacks this budget allocation and the respective sub-programmes.

Table 4: Programme 4: Mining, Minerals and Petroleum Policy Development

Programme 4: Mining, Mineral & Petroleum Policy Development	2022/23	2023/24	2024/25	2025/26		2026/27	2027/28	2028/29
	Audited outcome	Audited outcome	Audited outcome	Main Appropriation	Adjusted Appropriation	Indicative baseline	Indicative baseline	Planning baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Sub-programmes								
Mining and Minerals Development Management	58,374	13,036	135,228	185,954	185,454	63,971	66,685	68,817
Mineral and Petroleum Policy	19,603	23,619	33,286	27,700	28,200	27,425	28,783	29,688
Economic Analysis and Statistics	29,773	28,772	30,039	37,769	29,769	44,466	46,757	44,376
Economic Growth, Promotion and Global Relations	695,100	897,880	928,624	972,148	981,148	1,015,112	1,055,375	1,088,019
Total	802,850	963,307	1,127,177	1,223,571	1,224,571	1,150,974	1,197,600	1,230,900

Source: Department of Mineral and Petroleum Resources, 2026

4. ENTITIES OF THE DMPR

The Department of Mineral and Petroleum Resources fulfils its mandate through seven entities, namely the Central Energy Fund (CEF), Council for Geoscience (CGS), Mintek, State Diamond Trader (SDT), Mine Health and Safety Council (MHSC), Alexkor Limited and the South African Diamond and Precious Metals Regulator (SADPMR).

The following section provides a summary of the APPs of these entities, aligned to the Department's strategic priorities and the broader requirements of the mineral and petroleum resources sector.

4.1 Central Energy Fund (CEF) Group

The Central Energy Fund (CEF) Group comprises a portfolio of subsidiaries, each mandated to perform distinct but complementary roles across the energy value chain, including oil and gas exploration, coal mining, fuel storage, infrastructure development, and energy project implementation. This structure is intended to support strategic alignment, integrated oversight, and operational efficiency across the Group.

Key subsidiaries include the South African National Petroleum Company (SANPC), African Exploration Mining and Finance Corporation (AEMFC), PetroSA, Strategic Fuel Fund Association (SFF), iGas, Petroleum Agency South Africa (PASA), and other entities including CEF Carbon and dormant renewable energy subsidiaries.

The CEF Group is currently positioned at a strategic inflection point, balancing financial stabilisation with long-term mandate delivery. Its 2026/27–2030/31 strategy is shaped by a dual imperative: stabilising the current financial position while advancing commercial expansion and energy security objectives. This requires a coordinated and adaptive approach to portfolio management, including restructuring initiatives such as the formation of SANPC and the establishment of a Transformation Management Office to support recovery and integration processes.

The Group's strategic framework is guided by both internal and external drivers, including shareholder expectations, evolving energy market dynamics, geopolitical risks, and the need to expand participation across the energy value chain. A central focus is placed on execution discipline, value preservation, and strengthening commercial sustainability across subsidiaries.

Financially, the Group is projecting significant growth in revenue over the medium term, driven primarily by trading activities, infrastructure utilisation, and the scaling of SANPC operations. However, this is accompanied by sustained operating pressures, with the Group expected to remain in a net loss position over parts of the planning period due to rising operating costs, financing pressures, and capital investment requirements.

The Group's capital programme is extensive, with total planned project investment exceeding R65 billion, of which the majority is expected to be funded through strategic partnerships. These investments are concentrated in refining capacity, gas infrastructure,

fuel storage systems, and upstream energy development projects, reinforcing the Group's role in strengthening national energy security.

In addition, the CEF Group has identified several key strategic risks, including gas reserve depletion, funding constraints, geopolitical supply risks, regulatory uncertainty related to the SANPC legislative framework, and balance sheet pressures arising from subsidiary performance and debt exposure.

To support delivery, the Group is implementing a shared services model aimed at improving efficiency, reducing duplication, and strengthening governance across corporate functions such as ICT, HR, strategy, and internal audit. This is complemented by a human capital strategy focused on organisational alignment, talent development, leadership capability, and performance optimisation.

Overall, the CEF Group's planning framework reflects a transition towards a more integrated, commercially oriented, and strategically governed energy entity, while continuing to support the developmental and energy security objectives of government.

CEF Group Strategic Priorities (2026/27) includes the following:

- **Stabilisation and Turnaround of Key Assets - Petrosa and AEMFC:** Immediate focus on stabilizing financially distressed subsidiaries through operational improvements, cost control, and asset optimization. For example, the PetroSA Turnaround Plan and AEMFC's resumption of business operations and acquisition of a wash plant are top priorities.
- **Refining Capacity Reinstatement:** Reinstatement of Gas-to-Liquids (GTL) operations and investment in the SANPC Refinery to restore domestic refining capacity and reduce reliance on imports.
- **Growth and Diversification - Expand Gas Portfolio:** Address the looming "gas cliff" by developing technical and commercial solutions, investing in gas importation and transmission infrastructure, and supporting gas-to-power generation projects.

- **Market Expansion:** Diversify income streams and product portfolios, including new energy investments (e.g., renewables, battery minerals) and downstream trading, marketing, and sales.
- **Strategic Partnerships:** Leverage partnerships to realize over R100 billion in project value, especially for projects beyond CEF's internal funding capacity.
- **Integration and Group Synergy - Group Consolidation:** Merge and integrate subsidiaries (e.g., SFF, iGas, PetroSA into SANPC) to exploit synergies, improve scale, and enhance strategic relevance.
- **Transformation and Reputation:** Drive transformation initiatives and enhance the Group's brand and reputation through developmental projects and stakeholder engagement.
- **Financial Sustainability Profitability and Value Creation:** Maximize profitability, improve return on investments, and ensure commercial sustainability. For example, the Group targets a blended return on invested capital and aims to move from net losses in 2026/27 to profitability by 2030/31.
- **Funding and Capital Injection:** Secure diverse funding instruments for large infrastructure projects and manage capital allocation efficiently.
- **Support for National and Government Priorities - Energy Security:** Ensure security of liquid fuel and power supply through domestic production, infrastructure investment, and policy advocacy.
- **Implementation PetroSA Turnaround:** Arrest financial decline, stabilise operations, and reinstate upstream and refinery infrastructure.
- **Gas Cliff Intervention:** Develop and implement a Group-wide roadmap to secure gas supply for power generation and industrial use.

4.2 Council for Geoscience (CGS)

The CGS presented its 2026/27 Annual Performance Plan (APP), outlining its mandate, strategic priorities, budget allocations, programme structure, and key operational targets for the medium term.

Established in terms of the Geoscience Act, the CGS is a public entity responsible for conducting geoscientific research, mapping, data collection, and advisory services aimed at supporting sustainable development, mineral exploration, environmental management,

infrastructure development, and disaster risk reduction. The entity also serves as a national repository of geoscientific information and plays a critical role in supporting evidence-based policy development and investment promotion within the mining and energy sectors.

The Committee noted that proposed amendments to the Geoscience Act remain outstanding. These amendments are intended to strengthen and expand the mandate of the CGS, particularly in relation to geoscientific custodianship, mineral exploration support, and critical minerals development. The delay in finalising these amendments may limit the entity's ability to fully support government's exploration and investment objectives.

For the 2026/27 financial year, the CGS projected total revenue of R772.3 million, with approximately 86 per cent derived from government grants and 13 per cent generated through contract work, sales, and other external sources. Government grant funding amounts to R666.9 million and is allocated towards geological mapping, geoscience research activities, and institutional baseline funding.

Projected expenditure for the year amounts to R695.5 million, with personnel costs constituting the largest component at approximately R467.1 million. The Committee noted the entity's continued reliance on grant funding and project-based revenue streams, which raises concerns regarding long-term financial sustainability and revenue diversification. The CGS is structured around five strategic programmes, namely:

- Financial Sustainability;
- Organisational Effectiveness;
- Workforce Development;
- Delivery of Geoscience Mapping and Research; and
- Stakeholder Engagement and Communication.

The financial sustainability programme focuses on strengthening partnerships, collaborations, and external funding opportunities to improve revenue generation and reduce reliance on state funding. Organisational effectiveness aims to strengthen governance systems, improve procurement from small enterprises, and enhance operational efficiencies and service delivery.

The workforce development programme seeks to improve institutional capacity through skills development, transformation, and employment equity initiatives, including increasing the

number of employees with postgraduate qualifications, improving gender representation, and increasing representation of persons with disabilities.

The geoscience mapping programme remains central to the entity's mandate and includes onshore and offshore geological mapping, production of geoscientific publications, and the development of geospatial information systems and related scientific outputs. The stakeholder engagement programme focuses on strengthening public awareness, stakeholder relations, media visibility, and scientific publication outputs.

During deliberations, the Committee raised several oversight concerns requiring continued monitoring and engagement, including:

- The need for the entity to diversify revenue streams and reduce reliance on government grants and project-based funding;
- Measures to mitigate financial risks and improve long-term sustainability;
- Strategies to increase South Africa's share of global mineral exploration expenditure;
- Concerns relating to employee retention, salary competitiveness, and sustaining critical geoscientific skills;
- Clarification on the target of 1.8 per cent representation of persons with disabilities and the actual number of differently abled employees within the entity;
- The adequacy of digital data management and cybersecurity measures amid increased reliance on digital platforms and geospatial information systems; and
- Delays in finalising amendments to the Geoscience Act and the implications for the entity's expanded exploration and custodianship responsibilities.

The Committee acknowledged the strategic importance of the CGS in generating geoscientific knowledge that supports sustainable development, disaster risk management, infrastructure planning, mineral exploration, and informed policy decision-making. The Committee further noted that the increasing reliance on externally funded projects necessitates strengthened oversight to ensure transparency, project viability, compliance with funding obligations, and alignment with national developmental priorities.

4.3 Council for Mineral Technology (MINTeK)

In its 2026/27 APP, Mintek outlined its strategic priorities, research focus areas, performance targets, and financial sustainability initiatives.

The Committee noted that Mintek continues to position itself as a leading national mineral research and innovation institution supporting mineral beneficiation, process optimisation, critical minerals development, energy efficiency, and industrial competitiveness. The entity indicated that global economic uncertainty, geopolitical tensions, and commodity market volatility continue to shape the operating environment for the mining and minerals sector. However, opportunities remain in critical minerals, battery materials, mineral beneficiation, recycling technologies, secondary resource recovery, and energy-efficient metallurgical processes.

The Committee further noted that Mintek identified several strategic opportunities over the medium term, including:

- Supporting the ferroalloy industry;
- Developing technologies for processing rare earth elements;
- Recovering rare earth elements from fly ash and discarded coal products;
- Developing precursor materials and battery technologies;
- Expanding battery recycling solutions;
- Advancing recovery technologies for tailings, slags, e-waste and secondary resources; and
- Supporting the DMPR through evidence-based research and policy support.

The Committee observed that Mintek's strategic programmes are centred around six research, development and innovation focus areas, namely:

- Mineral productivity and efficiency;
- Mining waste and secondary resources;
- Automation and digitalisation;
- Mineral beneficiation;
- Integrated solutions for mine-impacted water; and
- Energy-efficient metallurgical processes and innovative energy generation and storage solutions.

In terms of workforce development, the Committee noted that Mintek aims to strengthen its scientific, engineering and technology (SET) capabilities through targeted recruitment, postgraduate development, mentorship programmes, and succession planning initiatives. The entity targets increased representation of women and black professionals within senior scientific and leadership positions, while also strengthening doctoral and master's-level qualifications amongst staff.

The Committee welcomed the entity's continued investment in research and innovation outputs, including scientific publications, patents, technology development, accredited methods, and intellectual property commercialisation. The entity further aims to increase income from the sale of products, services, royalties, and licences over the medium term.

The Committee also noted Mintek's continued support to artisanal and small-scale miners through training initiatives and the deployment of innovative technologies such as the iGoli processing system. In addition, Mintek continues to support rehabilitation initiatives relating to mine openings and asbestos-affected sites.

The Committee acknowledged Mintek's emphasis on technological advancement, including the development of digital twins, machine learning systems, process automation technologies, and data-driven mineral processing solutions aimed at improving productivity, operational efficiency, and remote operations capabilities. The Committee further noted the entity's strategic focus on energy security and sustainability through research into renewable energy systems, battery technologies, energy storage solutions, recycling of lithium iron phosphate batteries, and water-efficient mineral processing technologies.

Financially, the Committee noted that Mintek projects total income of approximately R784.4 million for the 2026/27 financial year, while aiming to maintain an unqualified audit opinion and strengthen long-term financial sustainability through increased contract research and development income and commercialisation initiatives. The Committee further welcomed Mintek's growing international footprint, with products, instruments and process control systems deployed across multiple countries and mining operations globally, contributing to South Africa's technological competitiveness within the minerals sector.

4.4 State Diamond Trader (SDT)

The SDT is a state-owned entity established in terms of the Diamonds Act, 1986 (Act No. 56 of 1986), as amended, and commenced operations in 2007. It is listed as a Schedule 3B public entity in terms of the Public Finance Management Act (PFMA). Its primary mandate is to promote equitable access to and beneficiation of rough diamonds in South Africa.

The Committee considered the prevailing challenges within the global and domestic diamond industry, including declining production levels, weak global demand, falling diamond prices, operational constraints in mining, and the increasing market penetration of lab-grown diamonds.

The Committee was informed that the SDT's strategic focus over the medium term will be directed towards:

- sustaining diamond beneficiation;
- diversifying revenue streams;
- improving financial sustainability;
- strengthening governance and internal controls;
- supporting historically disadvantaged beneficiaries; and
- improving operational efficiency through digital transformation.

The SDT reported that the global diamond industry continues to experience severe market pressures due to:

- declining consumer demand;
- significant reductions in rough diamond prices;
- geopolitical instability;
- supply chain disruptions; and
- increasing competition from synthetic diamonds.

The SDT stated that several South African mines remain under care and maintenance, resulting in constrained local rough diamond supply. The SDT further indicated that it intends to increase international rough diamond purchases to supplement declining domestic supply and strengthen trading revenues. The Committee noted the following financial projections for 2026/27 financial year:

- Revenue projected at approximately R606 million;
- Foreign purchase revenue projected at R284.9 million;
- Local purchase revenue projected at R321 million;
- Total projected costs estimated at R580.8 million;
- Net profit projected to decline from R15.87 million to R6.94 million;
- Assets projected to increase significantly due to inventory and receivables growth;
- Capital expenditure budgeted at approximately R850 000; and
- Cash reserves projected to decline due to working capital requirements.

The Committee was informed that cash flow pressures arise mainly from high inventory holdings; timing differences between supplier payments and sales realization; and increased working capital requirements associated with expanded trading activities.

The SDT indicated that while revenues are expected to grow substantially, profitability remains under pressure due to adverse market conditions and operational costs.

The Committee welcomed SDT's continued commitment to supporting historically disadvantaged South Africans, beneficiaries, artisans, and small enterprises. The Committee noted initiatives aimed at:

- expanding participation in the diamond value chain;
- promoting local beneficiation;
- facilitating stakeholder partnerships; and
- supporting enterprise development.

However, the Committee expressed concern regarding the absence of measurable socio-economic impact indicators linked to beneficiation activities and community development outcomes.

4.5 Mine Health and Safety Council (MHSC)

The MHSC states that the vision of the entity is to *achieve zero harm to mine employees and communities affected by mining activities*. Mining is inherently dangerous, therefore legislation and the empowered institutions regulating mine health and safety are primarily focused on prevention of injury and disease, broadly referred to as **zero harm**. Therefore, the MHSC

priorities for the 2026/27 financial year is namely; meaningful contribution to the outcomes of zero harm, organisational efficiency to ensure a fit for purpose structure including technological advancements and improved staff complement, increased focus on the eradication of Silicosis, Pneumoconiosis, TB, HIV, NIHL and Cumulative trauma disorders.

MHSC has indicated in its APP that the priority areas are linked to the priority areas of the National Development Plan, namely; inclusive growth and job creation, reduction of poverty and tackle the high cost of living and developing a capable, ethical and developmental state.

For 2026/27 financial year, the MHSC is allocated R151.3 million, compared to the R140.8 million in 2025/26 financial year. Table 5 below details the budget further.

Table 5: MHSC Statement of Financial Performance

MINE HEALTH AND SAFETY COUNCIL STATEMENT OF FINANCIAL PERFORMANCE							
	Actual R	Actual R	Actual R	Current Budget R	Budget R	Budget R	Budget R
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Income							
Revenue from non-exchange transactions	114 113 857	133 645 833	149 060 192	140 871 200	151 328 588	157 926 515	165 017 415
Levies	105 228 874	117 163 739	123 983 791	130 261 879	136 189 000	142 126 840	148 508 336
State Funding	4 717 000	4 736 000	4 495 000	4 693 000	4 911 000	5 125 120	5 355 237
Other income	-	612 394	7 069 749	-	-	-	-
Revenue from exchange transactions							
Finance income	3 651 462	11 000 640	13 294 919	5 445 576	9 428 588	9 839 675	10 281 476
Other income	516 521	133 060	216 733	470 745	800 000	834 880	872 366
Expenditure	94 328 662	96 833 315	120 240 274	140 871 200	151 328 588	157 926 514	165 017 415
Research and Development	3 521 995	8 900 295	9 836 472	19 680 996	20 297 918	21 182 907	22 134 020
Dissemination and RTF Costs	6 007 111	8 561 439	24 751 863	11 481 430	25 584 070	26 699 535	27 898 345
Administrative expenses	6 905 723	11 531 482	13 837 461	17 240 341	16 324 657	17 036 412	17 801 347
Corporate Governance - Council	6 766 171	1 831 082	2 506 393	1 922 636	1 957 319	2 042 658	2 134 373
Debt Impairment	2 832 671	4 907 788	-	791 538	150 000	553 251	578 092
Depreciation and amortisation	2 184 968	3 011 983	2 379 070	2 750 000	2 958 205	3 087 182	3 225 797
Employee costs	46 262 698	50 214 238	59 279 264	76 290 616	76 266 360	79 591 573	83 165 234
External audit Fees	2 465 185	2 454 370	2 755 535	2 678 016	3 000 000	3 130 800	3 271 373
Internal audit Fees	535 649	899 831	1 361 635	936 547	1 920 000	2 003 712	2 093 679
International Travel	-	-	-	-	-	-	-
Profit & Loss on Assets Disposal	-	-	11 662	-	-	-	-
Legal Fees	14 668 558	2 309 975	1 182 715	5 866 529	2 400 000	2 504 640	2 617 098
Offices Rental	2 121 003	2 145 901	2 280 825	1 180 246	380 137	-	-
Finance costs	56 930	64 931	57 379	52 305	89 923	93 844	98 057
Surplus / (Deficit) for the year	19 785 195	36 812 518	28 819 918	0	0	0	-0

Source: Mine Health and Safety Council 2026/27 Annual Performance Plan

As noted in the table above, state funding for MHSC is R4.9 million for 2026/27 which is a slight increase compared to 2025/26 which was R4.6 million. Similarly, there is an expected R136 million from levies which would be an increase compared to 2025/26 with R130 million.

4.6 Alexkor Limited (ALEXKOR)

In its 2026/27 Corporate Plan and Budget presentation to the Committee, Alexkor outlined its mandate, operational recovery strategy, governance priorities, and financial sustainability objectives.

Alexkor is a Schedule 2 public entity established in terms of the Alexkor Act and operates primarily through the Pooling and Sharing Joint Venture (PSJV) arrangement between Alexkor and the Richtersveld Mining Company (RMC). The PSJV structure combines Alexkor's marine mining rights with community-linked land rights and is intended to facilitate sustainable mining operations while advancing economic participation and benefit-sharing within the Richtersveld community.

The entity's strategic priorities for the 2026/27 financial year are centred around three pillars, namely:

- Regulatory compliance;
- Operational efficiency; and
- Sustainability.

It was stated that the Corporate Plan is aligned with government priorities contained in the National Development Plan, the Medium-Term Development Plan, and the priorities of the DMPR, particularly with regard to inclusive growth, job creation, transformation, environmental stewardship, and community development.

Alexkor's operational model spans land, river, beach, and marine diamond mining activities along the north-west coast of the Northern Cape. However, the entity continues to face several operational and financial challenges, including ageing infrastructure, limited investment in exploration and resource development, dependence on contractors, governance weaknesses, litigation risks, and historical audit findings.

The only one processing facility is currently operational, while two plants remain under care and maintenance. In addition, marine mining operations remain highly dependent on sea conditions, contractor performance, and production capacity constraints.

The Committee welcomed the entity's focus on improving governance, strengthening internal controls, enhancing risk management systems, and improving audit outcomes. The entity

indicated that it aims to move from a disclaimer audit opinion towards achieving a qualified audit outcome during the 2026/27 financial year.

The Committee noted the following key institutional performance targets for 2026/27:

- Production target of 30 000 carats of land and marine diamonds;
- EBITDA margin target of 3 per cent for the PSJV;
- Rehabilitation of 37 hectares of disturbed land at Oubeep;
- Implementation of six historical infrastructure projects;
- Approval of seven Social and Labour Plan (SLP) infrastructure projects for the 2026–2028 period;
- Local procurement spend target of 20 per cent within Namaqualand and the Richtersveld region;
- Staff retention target of 80 per cent; and
- Zero fatalities and an LTIFR target below 0.35.

The Committee further noted the entity's emphasis on rehabilitation, environmental compliance, mine planning, geophysical mapping, infrastructure upgrades, and strengthening organisational capacity through the filling of critical vacancies and skills development initiatives.

4.7 South African Diamond and precious Metals Regulator (SADPMR)

SADPMR regulates diamond and precious metals industries, including beneficiation, buying, selling, and exporting. Operates under the Diamond Act, Diamond Export Levy Administration Act, and Precious Metals Act.

The SADPMR states that the vision of the institution is being a *world-class regulator of a transformed diamond and precious metals industry*. Therefore, the SADPMR has identified the following three priority areas for the 2026/27 financial year is namely: finalise license applications within the prescribed timeframes; Implementation of the Strategy to Combat illicit Trade in Diamonds and Precious Metals in collaboration with law enforcement authorities and other relevant regulatory authorities. Lastly, facilitating the entry of new players particularly women, youth and historically disadvantaged persons through the Enterprise Development Programme in collaboration with industry.

SADMPR has indicated in its APP that the priority areas are linked to the priority areas of the National Development Plan and the Government of National Unity (GNU), namely; inclusive growth and job creation, reduction of poverty and tackle the high cost of living and developing a capable, ethical and developmental state.

For the 2026/27 financial year, the SADMPR is allocated an estimated R122.9 million, compared to the R123.9 million in 2025/26 financial year. Table 6 below details the budget per programme.

Table 6: SADMPR Budget for Programmes

Programme	Audited outcome 2022/23	Audited outcome 2023/24	Audited outcome 2024/25	Original Appropriation 2025/26	Budget estimate 2026/27	Budget estimate 2027/28	Budget estimate 2028/29
Administration	72 674	78 940	84718	74 390	73 843	77 185	80 711
Trade	13 218	17 036	17238	17 485	17 356	18 142	18 971
Regulatory Compliance	27 016	34 074	31109	32 026	31 790	33 229	34 747
Total	112 908	130 050	133 065	123 900	122 990	128 555	134 428

Source: South African Diamond and Precious Metals Regulator 2026/27 Annual Performance Plan

As seen in the table above, the **Administration** programme is allocated the largest share with R73.8 million, followed by the **Regulatory Compliance** with R31.7 million, and the **Trade** programme allocated R17.3 million is the smallest share of the budget. Importantly, the SADPMR relies heavily on grants from the DMPR and revenue from licensing fees for financial sustainability. In terms of grants, over the next three financial years, the DMPR allocation for the SADPMR in 2026/27 is R70.4 million, in 2027/28 it is R73.8 million, and R76.5 million in 2028/29.

In terms of revenue from licensing fees, the SADPMR indicates in its 2026/27 APP an estimated 26 percent decrease in license fees in 2026/27. This is a continued decline from

the previous financial year (2025/26). Further, the decline of revenue from licensing fees is expected to persist into 2027/28.

SADPMR's current funding model is financially unsustainable. The limited growth in transfers from the DMPR, combined with weak short to medium-term diamond market conditions, raises serious concern about the entity's ability to fulfil its mandate in the near future unless urgent intervention is undertaken.

The SADPMR enabling legislation and associated regulations are outdated as it has not been reviewed for over eleven (11) years. This is undesirable as the entity's main function is regulation. Therefore, the legislative gaps will result in misalignment for the two industries it is intended to oversee. Further, National Treasury has implemented budget cuts to all departments and entities thereby reducing the entity's grant over the next three (3) years in real terms. The entity must operate and generate revenue within this context which will require regular engagements and close oversight from the Committee.

5. FINDINGS AND OBSERVATIONS

The Portfolio Committee observed the following in relation to the annual performance plans and allocated budget of the DMPR and entities reporting to it:

5.1. Department

5.1.1 Fuel pricing: The Committee noted with concern the impact of the ongoing Middle East conflict on fuel prices, which has contributed to volatility and heightened cost-of-living pressures. The Committee further observed that while petrol prices are regulated, the partial deregulation of diesel pricing results in price variability across service stations. This creates consumer confusion and fosters perceptions of unfair or inconsistent pricing practices.

5.1.2 Fuel price publication error: The Committee noted the Department's explanation that the fuel price publication error resulted from a human typing error and that corrective action was taken before implementation, ensuring that consumers were not financially affected. The Committee further noted that the

Department committed to conducting an internal review to strengthen controls and prevent future occurrences.

- 5.1.3 Mining Sector under strain:** The Committee noted with concern that declining investment in exploration poses a long-term threat to the sustainability and growth of the mining sector. The Committee further observed that illegal mining has escalated into a national security concern, undermining lawful operations, eroding state revenue, and endangering lives. In addition, the rehabilitation backlog of derelict and ownerless mines remains substantial, estimated between R35 billion and R45 billion, with progress constrained by limited financial resources.
- 5.1.4 Capacity Constraints in the Department:** The Committee is concerned that the Department of Mineral and Petroleum Resources (DMPR) is significantly understaffed relative to the scale and complexity of its mandate. The Department is unable to adequately monitor and enforce compliance across more than 900 operating mines. The Committee further observed that enforcement capacity is limited, with the inspectorate insufficiently resourced to effectively address illegal mining activities and to ensure proper monitoring and enforcement of Social and Labour Plans (SLPs).
- 5.1.5 South Africa remains heavily dependent on imported fuel products:** The Committee observed that South Africa's refining capacity remains constrained, leaving the country significantly dependent on imported crude oil and refined petroleum products. Although the proposed refinery reinstatement initiatives and gas infrastructure projects are aimed at improving long-term energy security, there remains a short- to medium-term vulnerability in relation to national fuel security and supply stability.
- 5.1.6 Cadastral System:** The Committee welcomed the rollout of the cadastral system in the Western Cape but questioned the sequencing of implementation. The Department explained that rollout is based on system readiness and capacity considerations.

5.2 Entities

- 5.2.1 Financial sustainability pressures remain significant across the CEF Group:** The Committee observed that several subsidiaries within the Central Energy Fund

(CEF) Group, particularly PetroSA, continue to face serious financial and operational pressures, with projected losses, liquidity constraints and ongoing going-concern risks. While the Group has presented an ambitious turnaround and investment strategy, a substantial portion of the planned projects remain dependent on external funding, strategic partnerships and future financing arrangements that have not yet been concluded.

5.2.2 SANPC operationalisation delays remain a strategic risk: The Committee noted that delays in the operationalisation of the South African National Petroleum Company (SANPC) continue to affect integration, asset transfers, governance alignment and long-term commercial sustainability. Legal, governance and commercial complexities relating to asset transfers between entities, including Section 21 company restrictions and offshore assets, continue to delay implementation.

5.3 Funding requirements for refinery reinstatement remain substantial: The Committee noted that the projected funding requirements for refinery reinstatement and associated infrastructure development remain substantial, with estimates ranging into the billions of rand. While the entities indicated that funding options are being explored through partnerships, debt instruments and internal equity contributions, firm commitments and funding certainty have not yet been secured.

5.4 Concerns remain regarding performance indicators and scorecard methodology, CEF Group: The Committee observed that several performance indicators presented in the Annual Performance Plans lack measurable developmental and operational outcomes. Concerns were also raised regarding the weighting methodology used in the scorecards, particularly the allocation of similar weightings to materially different strategic deliverables.

5.5 Community impact measurements remain inadequate: The Committee observed that entities such as Alexkor continue to operate in communities facing socio-economic challenges, yet the Annual Performance Plans do not sufficiently reflect measurable indicators relating to community impact, local economic development, enterprise development and beneficiation outcomes.

5.6 Strategic opportunities exist in beneficiation and critical minerals: The Committee noted proposals raised during the meeting regarding the diversification of state trading and beneficiation activities beyond diamonds into broader critical minerals and strategic commodities. The Committee further noted the strategic

opportunity to position South Africa as a regional trading and beneficiation hub for Africa.

- 5.7 Geoscience Act Amendments:** The Committee noted that proposed amendments to the Geoscience Act remain outstanding. These amendments are intended to strengthen and expand the mandate of the CGS, particularly in relation to geoscientific custodianship, mineral exploration support, and critical minerals development. The delay in finalising these amendments may limit the entity's ability to fully support government's exploration and investment objectives.
- 5.8** The Committee observed that while CGS reports on a range of outputs, there is limited emphasis on outcome-level indicators that demonstrate the broader developmental and economic impact of its work.
- 5.9** The Committee noted that current reporting by the **Mine Health and Safety Council (MHSC)** focuses predominantly on activities and outputs, with limited measurement of health outcomes within the mining workforce, particularly in relation to non-communicable diseases (NCDs) and mental health conditions.
- 5.10** The Committee observed that current reporting on Women in Mining initiatives by the **MHSC** is largely activity-based, focusing on participation metrics such as Indaba attendance and dissemination reach. This limits the ability to assess real impact, particularly in relation to gender equality, workplace safety, and the prevalence of gender-based violence and femicide (GBVF) in the mining sector.
- 5.11 Economic downturn in diamond industry:** The Committee notes with concern the continued deterioration in the global diamond market, including declining rough diamond prices; weak international demand; operational disruptions and mine closures; growing competition from lab-grown diamonds; and geopolitical and supply-chain uncertainties.

6. RECOMMENDATIONS

Having considered the planning documents and budgetary allocations for the 2026/27 financial year of the Department of Mineral and Petroleum Resources, the Portfolio Committee on Mineral and Petroleum Resources recommends that the House requests the Minister of Mineral and Petroleum Resources to do the following:

6.1 Department

- 6.1.1 Energy security strategy:** The Department and CEF, in the third quarter of 2026/27 financial year, should present a comprehensive medium-term energy security strategy detailing refinery reinstatement timelines; import reduction targets; gas infrastructure plans; storage optimisation initiatives; and strategic fuel security interventions.
- 6.1.2** Review the diesel pricing framework to assess whether additional regulatory measures or guidelines are necessary to reduce excessive price disparities.
- 6.1.3** Prioritise the strengthening of inspectorate capacity, particularly in high-risk areas affected by illegal mining and SLP non-compliance.
- 6.1.4** The Department and/or CEF should present a report on options for resolving PASA's promoter-regulator conflict, including a proposed restructuring timeline and interim governance arrangements to ensure regulatory decisions are insulated from the promotional mandate. This report should be presented in the fourth quarter of the 2026/27 financial year.
- 6.1.5 Fuel price publication controls:** The Department should strengthen verification and approval controls relating to fuel price publication processes and provide the Committee with the outcome of the internal review into the publication error.
- 6.1.6** The Department should fully implement the provision in the Diamonds Act that provides for the annual review and adjustment of fees for the South African Diamond and Precious Metals Regulator (SADPMR) and the State Diamond Trader (SDT).
- 6.1.7** The Department, should, within 30 days, provide what steps have been taken to address specific governance gaps the current Board structure creates. A written response must be presented before the AEMFC's next quarterly appearance.
- 6.1.8** The SAMRAD website must include a clearly visible link directing applicants to the new online system portal.

6.2 Entities

- 6.2.1 Financial sustainability and turnaround plans:** The Central Energy Fund Group, in the third quarter of 2026/27, financial year, should submit a detailed turnaround and sustainability framework outlining timelines for subsidiary

stabilisation; measurable turnaround milestones; liquidity risk mitigation measures; and scenario-based financial stress tests under varying market conditions.

- 6.2.2 South African National Petroleum Company implementation progress reporting:** The CEF Group should provide quarterly progress reports on the operationalisation of the South African National Petroleum Company, including, status of asset transfers; regulatory approvals; governance arrangements; legal impediments; and implementation timelines.
- 6.2.3 Community development and beneficiation indicators:** Alexkor's APPs should include at least two verifiable community development outcome indicators measuring the employment and economic impacts on the Richtersveld community arising from PSJV operations and SLP-funded infrastructure. These indicators should be developed in consultation with the community and submitted to the Committee for assessment before the 2027/28 planning cycle.
- 6.2.4 Governance Improvement Plan at Alexkor:** Accelerate interventions aimed at strengthening governance, internal controls, risk management, and financial management systems in order to improve audit outcomes and institutional stability. Moreover, develop a comprehensive infrastructure rehabilitation and modernisation plan for processing plants, mining equipment, and operational facilities.
- 6.2.5 The Council for Geoscience (CGS)** should introduce a minimum of two outcome-level indicators per strategic programme to better demonstrate its contribution to economic development and investment facilitation.
- 6.2.6 The MHSC** should incorporate measurable outcome indicators for NCD prevalence and mental health disorder rates in the mining workforce linked to specific sector-level interventions tracked quarterly.
- 6.2.7 The MHSC** should develop a Women in Mining Impact Assessment framework, including a sector GBVF baseline and a reduction target over the MTEF period, and a quarterly reporting format to the Committee that goes beyond Indaba attendance and dissemination reach figures.
- 6.2.8 SADPMR** should present, within 60 days, a fee review report quantifying the cost-recovery gap, proposing a revised fee schedule aligned with regulatory costs, and identifying any legislative amendments required to enable fee adjustment.

- 6.2.9** The **SDT** should include, at least two outcome indicators linked directly to the beneficiation mandate, one tracking the growth or contraction of the local cutting and polishing industry and one tracking the HDSA ownership and participation profile of SDT's active customer base. These indicators should be reportable quarterly.
- 6.2.10** The **SDT** should, at the next quarterly appearance, present a formal sustainability assessment including a financial model under three market scenarios: recovery, flat, and continued decline. The assessment should include legal and mandate implications of purchasing from foreign jurisdictions, the status of the credit facility application, and a board resolution confirming that the going concern status has been formally assessed and affirmed for 2026/27.
- 6.2.11** The **CEF Group** should include at least two indicators measuring the developmental outcomes of its energy mandate, such as the volume of energy products made available to priority sectors through CEF entities, or the contribution to strategic stock coverage expressed in days of supply security. These indicators must be reportable quarterly.
- 6.2.12** The **CEF Group**, at the next quarterly engagement , should present a capital plan that distinguishes between confirmed funding, advanced-stage negotiations, and aspirational partnership targets, with risk ratings and contingency timelines for each major project. This is important so that the Committee is be able to track whether project funding is materialising, not only to monitor capital risk but also to assess potential contingent obligations that could fall to the government.
- 6.2.13** **PetroSA** should present a project implementation schedule for the reinstatement programme, identifying each financial milestone, the responsible party, the expected date of financial close, and the consequences for the broader turnaround plan if that date is missed. This schedule should be submitted within 30 days and updated in every quarterly report to the Committee.
- 6.2.14** The **CEF Group and SANPC** should, within 60 days, submit a merger operationalisation milestone plan covering 2026/27, identifying each critical implementation step, its completion date, and the consequence for the broader commercial strategy if that step is not completed on time.
- 6.2.15** Finalise and expedite the proposed amendments to the Geoscience Act in order to strengthen the legislative mandate of the CGS, particularly in relation to mineral exploration, critical minerals development, and geoscientific data custodianship.

6.2.16 Mintek should expand research and development programmes relating to critical minerals, battery technologies, rare earth elements, and secondary mineral recovery in support of South Africa's beneficiation and industrialisation objectives.

6.2.17 For longer-term consideration, the Department should expedite the development and/or proposal of a revised fuel pricing model and adjustment framework aimed at cushioning consumers from extreme month-on-month price fluctuations.

7. CONCLUSION

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

Report to be considered

2. REPORT OF THE PORTFOLIO COMMITTEE ON SCIENCE, TECHNOLOGY AND INNOVATION ON BUDGET VOTE 35: SCIENCE, TECHNOLOGY AND INNOVATION (2026/27), DATED 13 MAY 2026.

The Portfolio Committee on Science, Technology and Innovation, having considered Budget Vote 35: Science, Technology and Innovation and the 2026/27 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.

For the 2026/27 financial year, the Committee first considered the APPs and budget allocations of the Department and the National Advisory Council on Innovation (NACI) on 21 April 2026. Thereafter, the Committee considered the APPs and budget allocations of the Council for Scientific and Industrial Research (CSIR), South African National Space Agency (SANSa) and Technology Innovation Agency (TIA) on 28 April 2026; the National Research Foundation (NRF) and Human Sciences Research Council (HSRC) on 5 May 2026; and the Academy of Science of South Africa (ASSAf) and the South African Council for Natural Scientific Professions (SACNASP) on 12 May 2026.

2. SCIENCE, TECHNOLOGY AND INNOVATION POLICY CONTEXT

In today's volatile global landscape, science, technology and innovation (STI) are no longer just drivers of economic growth; they are essential for South Africa and the continent's sovereignty and resilience. Relying heavily on foreign technology is increasingly precarious as global competition for technology intensifies and supply chains become vulnerable. Building robust, local STI ecosystems is now a strategic necessity. However, rapid technological growth requires careful oversight to avoid widening inequality,

job displacement and risks to data privacy or security. To secure its future, South Africa must strengthen local research and innovation to create tailored solutions, while simultaneously developing strong, inclusive ethical frameworks to govern them.

To manage this, the Department commits to directing innovation toward the public good. It will focus on ethical oversight, inclusive development and expanding local research capacity. Essential to this strategy is strengthening partnerships and coordination across the board to secure funding and build a more cohesive National System of Innovation (NSI).

2.1. National Development Plan 2030 and the 2024-29 Medium Term Development Plan

The National Development Plan (NDP) 2030 highlights STI as central to South Africa's long-term economic development. It calls for increased investment in research and development (R&D), stronger alignment between innovation and the productive needs of industry, closer collaboration between government and the private sector to expand research, development and innovation (RDI) in firms, and targeted investment in research infrastructure that supports the demands of a modern, competitive economy.

Recognising that the benefits of STI are realised over time rather than immediately, the NDP set out a phased approach to embedding innovation within the economy and society. The NDP's three-phase approach to STI seeks to progressively increase R&D investment, embed innovation across the economy and public sector, and ultimately consolidate South Africa's transition towards a more productive, knowledge-based and globally competitive economy by 2030.

The 2024-29 Medium-Term Development Plan (MTDP) lists "A dynamic science, technology and innovation ecosystem for growth" as one of nine outcomes to achieve Strategic Priority 1: Driving inclusive growth and job creation, which is the apex priority of the 7th Administration. 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 goal of investing 1.5% of Gross Domestic Product (GDP) into R&D remains a strategic priority.

2.2. 2019 White Paper on Science, Technology and Innovation and the 2022-2032 Science, Technology and Innovation Decadal Plan

The 2019 White Paper on Science, Technology and Innovation provides the current long-term policy framework for the NSI. It aims to strengthen the contribution of STI to inclusive economic growth, improve the competitiveness of the economy, and enhance the quality of life of South Africans.

The 2022–2032 STI Decadal Plan gives practical effect to the White Paper by setting out the priorities, goals and interventions needed to advance the NSI over the next decade. The Decadal Plan is structured around five system goals: building a more inclusive and coordinated NSI; expanding and transforming the research system; developing future-ready human capabilities; creating an enabling environment for innovation; and significantly increasing investment in the NSI.

The Decadal Plan also identifies three broad societal grand challenges that require sustained STI responses, namely climate change and environmental sustainability, future-proofing education and skills, and preparing for the changing nature of society and work.

In support of these goals and challenges, the Decadal Plan outlines six STI priority areas. These include modernising the manufacturing, agriculture and mining sectors; unlocking new growth opportunities in the digital and circular economies; strengthening health and energy research and innovation; building innovation capabilities within the state; and using innovation to drive broader socio-economic development.

2.3. Department of Science, Technology and Innovation Strategic Plan 2025-2030

In alignment with the 2019 White Paper on STI and the 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 (PPPs) 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).

2.4. State of the Nation Address, 2026

The 2026 State of the Nation Address (SONA) placed economic growth, job creation, state capability, infrastructure delivery, crime reduction, digital transformation, green industrialisation and skills development at the centre of government’s programme of action. These priorities align directly with the core objectives of the NSI, which provides the enabling backbone for several of the SONA commitments that are explicitly technology and innovation dependent. The emphasis in the SONA on the digital economy, digital public services, AI and data analytics in crime fighting, renewable energy, green manufacturing, critical minerals beneficiation, vaccine production, health system modernisation and skills reform cannot be implemented without effective research, technology development, innovation financing and technology transfer capacity.

In the growth and industrialisation agenda, the NSI supports the SONA focus on digital infrastructure, data centres, advanced manufacturing, green products, battery value chains, electric vehicles, sustainable aviation fuel, chemicals and green steel. Public research and innovation infrastructure enables technology readiness, pilot facilities and industrial demonstration projects that are necessary to crowd in private investment. Science councils and public research institutions also play an important role in testing, certification and standards development, which are critical for industrial competitiveness and accessing export markets.

In the green economy and energy transition programme, the NSI supports the localisation of renewable energy technologies, grid integration, storage technologies, hydrogen and fuel cell development, sustainable fuels and energy efficiency technologies. The SONA commitment that more than 40% of electricity will come from renewable sources by 2030, and the focus on restructuring the electricity sector and introducing new transmission infrastructure, is dependent on local engineering, power systems research, grid digitalisation, cyber security and forecasting capabilities embedded in the innovation system.

In water security and climate resilience, the NSI contributes through climate science, hydrological modelling, water monitoring technologies and infrastructure innovation. Government's planned investments in water infrastructure and disaster preparedness draw heavily on the technical expertise located in universities and publicly funded research institutions.

The SONA commitment to use AI and advanced data analytics to target organised crime, illicit trade and high-risk economic sectors relies on national digital research capacity, cybersecurity competence, advanced analytics and skills pipelines developed through the NSI. These capabilities are also foundational to digital government services such as digital identity, online service delivery platforms and integrated administrative data systems.

In health and biotechnology, the innovation system underpins the development and rollout of vaccines, diagnostics, medical technologies and digital health systems. Similarly, agriculture and biosecurity interventions, including disease surveillance and vaccination programmes, rely on scientific capability in veterinary science, biotechnology, genomics and agricultural innovation.

The SONA's emphasis on skills reform and future-oriented employment further highlights the role of the NSI in developing postgraduate researchers, technical specialists and innovation-driven workplace

learning opportunities. Research chairs, technology stations and innovation-linked training programmes all contribute to building the skills required for the digital and green economy.

Overall, the NSI is not simply a supporting policy framework to the 2026 SONA priorities. It is a core enabling system that underpins industrial transformation, energy transition, digital government, health innovation, food security, infrastructure resilience and technology-driven public service delivery.

3. VOTE 35: SCIENCE, TECHNOLOGY AND INNOVATION

The Deputy Minister of Science, Technology and Innovation, Dr. Nomalungelo Gina, and the Director-General, Dr. Mlungisi Cele, framed the Department's 2026/27 APP within a context of growing fiscal, geopolitical and developmental pressures and stated that these pressures required the Department to become more innovative, coordinated and strategic in its use of STI.

The Deputy Minister stressed that the 2026/27 APP builds on the momentum of programmes implemented during the 2025/26 financial year and scales up their impact over the medium term. A major focus was the Department's efforts to reach the national target of increasing gross investment in R&D to 1.5% of GDP by 2030. Further priorities included:

- the transformation of the NSI, and the Deputy Minister referenced the recent launch of 41 new Research Chairs, aimed particularly at strengthening historically disadvantaged institutions (HDIs), universities of technology and emerging universities, while increasing the participation of young, black and women researchers.
- strategic programmes linked to industrialisation, energy transition and health security.
- pandemic preparedness and vaccine manufacturing capability, with COVID-19 demonstrating the necessity of sustained scientific investment before crises emerge.
- strengthening innovation partnerships with other departments, state-owned entities and STI-intensive sectors.

The Director-General reinforced that the Department was planning within a global context characterised by intersecting and mutually reinforcing crises, requiring a different way of working across the NSI. The Director-General described 2026/27 as a “delivery year” that would focus strongly on coordination, efficiency and maximising the impact of every rand of public investment in STI.

3.1. Department of Science, Technology and Innovation - 2026/27 Budget And Annual Performance Plan

The Department has five budget Programmes to deliver on the seven strategic outcomes planned for the period 2025-2030. 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.

For 2026/27, consolidated (all government departments) expenditure on Innovation, Science and Technology is R21.3 billion (R20.2 billion in 2025/26), which constitutes 0.8% (0.9% in 2025/26) of the total national budget and 7.5% of the R283.9 billion consolidated national budget for economic development.

The Department's 2026/27 appropriation is R10.4 billion, increasing from the 2025/26 adjusted appropriation of R9.4 billion (Table 1). The R1 billion nominal increase in the Department's appropriation represents a real increase of 7.4% (calculated at a projected inflation rate of 3.4%). Over the medium-term, the Department's allocation is projected to be R11.1 billion in 2028/29. This is attributed to baseline increases amounting to R3 billion for the Square Kilometre Array (SKA) radio telescope project.

The stated policy imperatives are postgraduate human capital development (HCD), infrastructure investment and research support, advancing the science missions, and strengthening the NSI. Hence, over the medium-term, the Department plans to invest R4.9 billion in postgraduate HCD, R2.9 billion in research infrastructure, R6.2 billion in Astronomy, R828.8 million in the science missions, R325.5 million to advance the Science Engagement programme and R85 million to advance Indigenous Knowledge Systems (IKS).

In terms of economic classification, the percentage apportionment of the Department's 2026/27 budget allocation of R10.4 billion remains similar to previous years and Transfers and subsidies to the Department's entities and implementing partners, which accounts for almost all the increase in allocation, comprise 93% of the total budget.

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 National Research Foundation (NRF), continues to receive the majority of the Department's budget at 61%. It also receives the highest increase at R1.2 billion. Only Programme 2's allocation decreases and this is mainly because the funds for the Space Infrastructure Hub (SIH) have all been allocated.

Table 1: 2026/27 Budget summary and performance indicators of the Department of Science, Technology and Innovation

Programmes				
R'million	2025/26 Adjusted appropriation	2026/27 Budget allocation	Nominal rand change from 2025/26 to 2026/27	Number of performance targets for 2026/27
1. Administration	445.3	461.8	16.5	8
2. Technology Innovation	1 940.1	1 688.2	-251.9	9
3. International Cooperation and Resources	152.8	159.0	6.2	8
4. Research, Development and Support	5 149.9	6 369.9	1 220.0	17
5. Socio-economic Innovation Partnerships	1 709.6	1 760.6	51.0	19
Total	9 397.7	10 439.6	1 041.9	61
Economic classification				
Current payments	695.5	722.0	26.5	
Transfers and subsidies	8 681.5	9 695.8	1 014.3	
Payments for capital assets	20.8	21.8	1.0	
Total	9 397.7	10 439.6	1 041.9	

Sources: National Treasury, February 2026. Estimates of National Expenditure. Vote 35: Science, Technology and Innovation (own calculations). Department of Science, Technology and Innovation Annual Performance Plan 2026/27.

For 2026/27, the Department has translated its planned performance into 61 performance indicators and targets (Table 1).

3.1.1. Programme 1: Administration

Programme 1 provides strategic policy and planning alignment; ensures effective governance, risk management, and monitoring and evaluation within the Department and among its entities; and provides strategic science communication and branding of the activities of the Department, its entities and the NSI. Programme 1's allocation increases by R16.5 million to R461.8 million. There are no notable

changes across expenditure items listed in the 2026/27 Estimates of National Expenditure (ENE). Current payments account for R419.4 million of the total programme allocation, with R238.6 million allocated to Goods and services to cover the core operational costs of Programme 1.

Programme 1's performance targets increase from seven to eight, with changes also made to performance outputs and descriptors.

New performance indicators and targets:

- Targeted procurement to include previously disadvantaged individuals. The three targets for departmental procurement expenditure are 40% to women-owned enterprises, 30% to youth-owned enterprises and 5% to enterprises owned by persons with disabilities. These targets reflect the Department's stated intention of integrating inclusion metrics around transforming the NSI into its APP.
- Number of departmental business processes digitised in line with the Digital Transformation Roadmap. The target is 13 departmental business processes. The Department aims to have better controls, faster delivery and improved accountability.
- Number of people reached through DSTI communication initiatives across traditional and non-traditional media platforms. The target is 6 million people.

3.1.2. 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 R1.68 billion. As in previous years, IPI is allocated the largest proportion at R1 billion. A notable change is the decrease in allocation to Space Science, from R544.2 million to R223.4 million, because 2024/25 was the last year that an allocation was designated for the SIH. Allocations to the remaining sub-programmes increase marginally and remain in similar proportion to previous years.

Programme 2 is responsible for the Transfers (Parliamentary grants) to TIA and SANSA, which are allocated R458.8 million (R420 million in 2025/26) and R180.2 million (R166.6 million in 2025/26), respectively.

Programme 2's resources are allocated to strengthen three interlinked pillars, namely, HCD, technology development and commercialisation, and innovation diffusion and decision support.

Changes to performance indicators and targets:

Programme 2 has removed the performance indicator for the Number of individuals trained/upskilled in targeted innovation-linked priority skills. The annual target was 300. No other changes have been made to the performance indicators or targets.

3.1.3. 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, particularly in Africa, in support of South African foreign policy through science, knowledge and innovation diplomacy. Programme 3 has three key sub-programmes; namely, Multilateral Cooperation and Africa, International Resources, and Overseas Bilateral Cooperation.

Programme 3's allocation increases marginally from R152.8 million to R159 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. The International Resources sub-programme is allocated R77.7 million, with the remaining funds split equally between the other two sub-programmes at R37 million. There are no notable changes across expenditure items.

Over the medium-term, Programme 3 will:

- Diversify international partnerships to reduce dependency risks;
- Deepen African and Global South collaboration;
- Align international cooperation to mission-driven Decadal Plan priorities;
- Strengthen economic diplomacy through STI;
- Expand access to global research infrastructure and knowledge networks;
- Support inclusive participation in international innovation platforms.

No changes have been made to the performance indicators and targets.

3.1.4. Programme 4: Research, Development and Support

Programme 4 provides an enabling environment and resources to advance three policy clusters: Firstly, research system development, high-level human capabilities, and access to research infrastructure. Secondly, maintain and grow priority science mission areas while extracting developmental impacts for South Africa. Finally, to facilitate coordinated national efforts to advance science engagement, the foundational and basic sciences, and indigenous knowledge systems. Programme 4 has four key sub-programmes; namely, Human Capital and Science Promotions, Science Missions, Basic Science and Infrastructure, and Astronomy.

Programme 4's allocation increases from R5.15 billion to R6.37 billion. The 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 R2.77 billion. The allocation to the Astronomy sub-programme increases from R1.05 billion to R2.04 billion due to additional funding of R1 billion per annum that was secured from the Budget Facility for Infrastructure (BFI) for the SKA. Of this, the SKA's capital contribution to research is allocated R1.98 billion. Investment in the Basic Science and Infrastructure sub-programme also continues and increases to R1.3 billion from R1.25 billion.

Programme 4 is responsible for Transfers to ASSAf and the NRF. ASSAf is allocated R34.9 million (R33.4 million in 2025/26). The NRF is allocated R4.58 billion (R3.46 billion in 2025/26) for its Parliamentary grant, human capital development, the SKA and the South African Research Chairs Initiative (SARChI). The CSIR is allocated R329.1 million (R301.7 million in 2025/26) for the further development and management of the National Integrated Cyberinfrastructure System (NICIS). A newly introduced allocation to SACNASP amounts to R12.1 million.

Changes to performance indicators and targets:

The performance indicators all remain unchanged; however, some of the targets have been adjusted. The targets around pipeline postgraduate bursary support (3 600 to 3 800), graduate work preparation (650 to 750), and grants for researchers (2 450 to 2 500), emerging researchers (1 225 to 1 250), and black female emerging researchers (425 to 625) have all increased. The increase in the latter target was a specific recommendation of the Committee following a reported decrease in the target at last year's APP briefing. The target for policy actions that advance science engagement increases from eight to nine. Whereas the

targets for policy actions that enhance access to infrastructure (eight to seven); and that advance foundational global change, sustainability and biodiversity sciences (six to five); and marine, Antarctic and Palaeosciences (six to five) have decreased by one.

3.1.5. Programme 5: Socio-economic Innovation Partnerships

Programme 5 enhances the growth and development priorities of government through targeted STI-based interventions and the development of strategic partnerships with all levels of government, industry, research institutions and communities, as well as the provision of statistics and analyses for system-level monitoring and evaluation. Programme 5 has four key 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 moderately from R1.7 billion to R1.76 billion. The 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 R1.08 billion (R1.05 billion in 2025/26). This sub-programme facilitates the implementation of high-impact STI interventions; identifies and initiates STI programmes that support the growth of the environmental technologies and services sector in South Africa; facilitates policy and strategy development on R&D interventions that support the growth of the ICT sector; and provides innovation policy and planning support to economic actors in priority economic sectors and provincial and local governments.

Programme 5 is responsible for Transfers to the HSRC and the CSIR. The HSRC is allocated R325.7 million (R311.1 million in 2025/26). The CSIR is allocated R1.12 billion (R971.1 million in 2025/26). The HSRC is also allocated R15.7 million to develop and monitor science and technology indicators via the Centre for Science, Technology and Innovation Indicators (CeSTII), which as of 1 April 2027 will be migrated to NACI. The CSIR is also allocated R59.5 million (R58 million in 2025/26) for mining R&D via the Mandela Mining Precinct.

Changes to performance indicators and targets:

The performance indicators all remain unchanged; however, the target for initiatives to promote the R&D Tax Incentive programme has increased from four to six.

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

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.

4.1. Academy of Science of South Africa

ASSAf is a meritorious, membership-based organisation built around academic excellence, leadership and contribution to society. Members contribute to the knowledge economy and to skills development in the country. For 2025-2030, planned activities will adopt the polycrisis concept to integrate and address common issues across the four thematic priority areas, which are:

- Advancing the food, water, land, energy and climate change nexus
- Future of society
- Service to society
- Digital transformation.

ASSAf's key activities include undertaking consensus studies; hosting webinars, public lectures and workshops; topical publishing (for example, Quest Magazine and South African Journal of Science); issuing expert statements; developing policy briefs; and continuing the engagement roadshows, partnerships programme, digital transformation project, and the work of the Committee for Scholarly Publishing in South Africa. ASSAf also hosts organisations that it collaborates with to advance STI. These are the South African Young Academy of Science (SAYAS), Organization for Women in Science for the Developing World (OWSD), Committee of Heads of Organisations for Research and Technology (COHORT), South African Academy of Engineering (SAAE), Science Advisory Group on Emergencies (SAGE), and Centre for Research Evaluation of Science and Technology (CREST).

No changes have been made to ASSAf's 2026/27 annual performance targets.

For 2026/27, ASSAf's projected total income is R42.5 million with the Parliamentary grant amounting to R34.9 million of the total. The only "external funder" listed in the income statement is the University of Stellenbosch for R2 million for ASSAf to oversee a three-year project to enhance the quality of scholarly publications and provide the Department of Higher Education and Training (DHET) with informed guidance for accrediting journals in alignment with the Publications Quality Framework (PQF). Other projected income amounts to R2.7 million from interest received and R350 000 from ASSAf's publication, Quest.

Broadly, ASSAf lists its key risks as inadequate funding, which limits the scope and number of its strategic activities; the lack of representation and inclusion in its study and advisory panels; the willingness of partners to engage and collaborate; the current geopolitical environment; mobilising the knowledge to work collaboratively in an increasingly competitive international and national NSI environment; and not being able to find sufficient candidates meeting selection and transformation criteria.

4.2. 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. The CSIR's 2026/27 Shareholder's Compact outlines a five-year Strategic Plan (2026/27–2030/31) focused on the development, maintenance and application of science, engineering and technology (SET) capabilities for the inclusive growth of the South African economy, improving the performance of industry and supporting the creation of a capable state.

The CSIR's business model emphasises collaboration and commercialisation. Through its collaboration model, the CSIR engages in joint technology development with industry partners, licenses its technologies to various entities and develops tailored solutions for the private sector, government, municipalities and international partners. The CSIR also co-invests in HCD with higher education institutions, Sector Education and Training Authorities (SETAs), government departments and international organisations.

The CSIR is instrumental in technology transfer and implementation, ensuring that innovations are commercialised and adopted by industry. CSIR C³, launched in October 2023, is a standalone enterprise established to bridge the gap between research outputs and market impact. It is dedicated to driving the commercialisation of the CSIR's technology by providing financial resources, technical support and an

incubator environment for start-ups. This initiative aims to foster collaboration with investors, entrepreneurs and innovators, catalysing new technology-based enterprises. CSIR C³ aims to commercialise around 15 technologies over five years.

For 2026/27, most of the CSIR's key performance indicators show a steady increase. However, it is notable that most of the human capital development targets remain the same as in 2025/26, with the exception that the target for total principal researchers decreases from 195 to 175.

The CSIR derives its income from grants from the Department, contract R&D income from public and private sectors both locally and internationally, and income from intellectual property (IP) and technology transfer initiatives. The CSIR's 2026/27 projected total income is R3.28 billion, which broadly comprises the R735.1 million Parliamentary grant and R2.54 billion from contract R&D. International income is projected to be R358.4 million, which over the last six years has grown by 175% in line with the CSIR's efforts to diversify its income through increased private sector (40% growth) and international income.

The CSIR is budgeting for a net loss of R9.8 million in 2026/27, which is an improvement from the R30.8 million budgeted loss for 2025/26. Compared to 2025/26, revenue increases by R73.9 million, mainly from growth in contract R&D income and a higher Parliamentary grant. Expenditure increases by R52.7 million, mainly due to running costs, depreciation and inflationary labour pressures. Expenditure growth remains below revenue growth, but the budget still reflects a small deficit position. Considering the uncertainty around the recent trend of minimal increases or reductions in the Parliamentary grant over the Medium-Term Expenditure Framework (MTEF), the CSIR has adopted a conservative approach, budgeting for a profit of R15.9 million in 2027/28 and R23.3 million in 2028/29.

In conclusion, the budget reflects a tight but managed position, with sustainability dependent on revenue delivery and ongoing cost discipline. Diversification of revenue streams remains a key priority. Importantly, due to the marginal growth of the Parliamentary grant, the CSIR states that over the MTEF it will not be able to invest in new capabilities or maintain existing ones, which poses a major risk to the strategic thrust of the organisation.

Key issues impacting the CSIR include:

- Low level of Parliamentary grant investment, which has constrained skills development, infrastructure investment, future-facing capability building, technology maturation, ICT modernisation, support capacity, and commercialisation initiatives.

- Geopolitical tensions.
- Pressure to increase contract R&D income. The CSIR states that ideally, its mandate should be enhanced so that it is the designated entity to support the STI requirements for all of Government. In addition, given the nature and depth of the capabilities at the CSIR, it should be mandated and enabled to conduct translational research for all intellectual property emanating from publicly-funded R&D.
- Revenue diversification to successfully grow private sector and international income to 15% each (currently at 7% and 10% respectively) to mitigate the impact of the fragile domestic economy.
- Competition for experienced scientists, engineers and technologists (already in short supply) and the associated effect on building competitive capability.
- Ageing infrastructure and the lack of adequate and continued capital investment.

4.3. Human Sciences Research Council

The HSRC is the largest dedicated research institute in Africa focusing on the social sciences and humanities and positions itself as a critical partner to government, providing research and policy advice aligned with national priorities. The HSRC emphasises that social science research is essential for understanding the human, institutional and societal dimensions of development and innovation, particularly in the context of rapid technological change, digitalisation, AI, climate change and growing socio-economic pressures. Within the NSI, the HSRC seeks to ensure that scientific and technological advances are socially responsive, equitable and development-oriented. The 2026/27 APP further highlights the HSRC's expanding collaboration with universities, international partners, civil society and the private sector to strengthen research impact, diversify funding sources and enhance policy influence.

The only notable change to performance indicators from 2025/26 is the decrease, from 20 to 12, in the number of joint research activities to inform and promote internationalisation. It is assumed that the higher target in 2025 may be related to South Africa hosting the G20.

The HSRC derives its income from the Parliamentary grant and external income (research and other sources). For 2026/27, the HSRC's projected total income is R651.4 million, which broadly includes the R325.7 million Parliamentary grant and R279 million research income. To ensure its sustainability, the HSRC plans to secure five internationally funded collaborative projects involving multi-year grants of R5 million or more in 2026/27. Broadly, planned expenditure comprises R313.9 million for Programme 1: Administration and R337.5 million for Programme 2: Research, Development and Innovation. As is

the norm, compensation of employees (highly skilled research professionals who are central to the core business of the HSRC) accounts for 53% of the HSRC's planned expenditure in 2026/27.

Key issues impacting the HSRC include:

- The HSRC faces the challenge of a limited number of senior researchers who are required to raise funds while also implementing a range of contract research projects and reaching scholarship targets. The filling of vacancies for senior research staff has been constrained by salary caps implemented by the National Treasury to contain the national wage bill. Additionally, resignation data show that Black and female researchers are in demand and are offered higher salaries in the university and private sectors. The HSRC loses its transformation capital when it loses these researchers.
- The HSRC is struggling to maintain and update, as well acquire, new research infrastructure, needed for R&D and skills development. Although the HSRC has begun to embrace new technologies, it needs to ensure that it remains abreast of developments in the field if it is to become a significant competitor in the social science arena. This, however, is dependent on access to additional resources.
- The HSRC must secure external income to cover a proportion of its salary bill and to conduct research.
- In the effort to secure external research income, the HSRC must compete with universities and the private sector in the government tender system. These institutions routinely, due to their operational structures, outbid the HSRC regarding costs related to operations and overheads.

4.4. National Advisory Council on Innovation

Traditionally, NACI's advice focuses on how science, mathematics, innovation and technology contribute to national objectives, such as improving the quality of life, developing human resources, building the economy and strengthening international competitiveness. Over time, this mandate has evolved beyond traditional advisory functions toward a more integrated role that includes system-wide monitoring and evaluation, foresight, and policy coordination. The APP reflects this evolution by emphasising NACI's repositioning as a central analytical hub within the NSI. A key institutional reform is the transfer of CeSTII to NACI, which will significantly enhance NACI's data and analytical capabilities. This shift signals a move toward a more data-driven, evidence-based approach to policy advice, enabling government to make more informed decisions about STI investments and priorities.

A key milestone is that the APP states that NACI will be established as an independent entity by 31 March 2028. However, NACI operates with limited financial and human resources, which places pressure on its ability to meet growing expectations and deliver high-quality outputs. The effectiveness of its work is also dependent on the availability of reliable data, the cooperation of stakeholders across the NSI, and the alignment of policies and priorities across government. Its 2026/27 budget, administered by the Department's Programme 1: Administration, is R19.3 million, with R11.6 million allocated to the compensation of employees and R7.7 million allocated to goods and services.

Key risks include continued fragmentation within the NSI, insufficient investment in STI, and gaps in analytical capacity. Mitigating these risks will require sustained commitment from government, as well as strengthened partnerships and institutional support.

4.5. 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.

The work of the NRF is structured across four budget programmes. These are:

Programme 1: Administration that provides governance, shared services and strategic coordination to ensure organisational stability and compliance.

A key concern is that isotope production revenue is negatively affected by electricity instability and ageing infrastructure, particularly the obsolete uninterrupted power supply (UPS) system supporting the 200 MeV Separated Sector Cyclotron at NRF-iThemba Laboratory for Accelerator-Based Sciences (LABS).

Programme 2: Science Engagement that promotes public awareness of science, supports science education and strengthens engagement across the national science institutions. The South African Agency for Science and Technology Advancement (NRF-SAASTA) is the lead Business Unit for the delivery of science engagement services of the NRF and national coordination of science engagement across the NSI.

NRF-SAASTA is transitioning from a direct implementing agency to a national coordinating and enabling agency. The focus is increasingly on:

- System-wide coordination.
- Partnerships with universities and DSTI entities.
- Integrating science engagement into NRF-funded research.
- Expanding science communication capacity nationally.

Programme 3: Research and Innovation Support and Advancement that supports postgraduate students, researchers and research excellence through funding across the entire research value chain. For 2026/27, grants and bursaries remain the largest expenditure item, averaging R2.5 billion annually.

The NRF is redesigning its funding model to align more directly with the STI Decadal Plan and national development priorities. Key reforms include:

- Phasing out traditional individual researcher funding programmes.
- Introducing thematic interdisciplinary research programmes. New thematic research programmes from 2026 will focus on ICT and smart systems, health innovation and sustainable energy
- Strengthening support for HDIs. A flagship University Partnerships and Collaboration (UPC) initiative will provide cohort staff development; research niche development; institutional capacity building; and pathways into larger competitive funding streams.
- Establishing National Institutes for Research, Development and Innovation (NIRDI).

Programme 4: National Research Infrastructure Platforms that develops and manages large-scale research infrastructure enabling cutting-edge research and innovation. The NFs managed by the NRF are the:

- South African Radio Astronomy Observatory (SARAO).
- South African Astronomical Observatory (SAAO).
- South African Institute for Aquatic Biodiversity (SAIAB).
- South African Environmental Observation Network (SAEON).
- iThemba LABS.

Key priorities over the MTEF include:

- Delivering South Africa's obligations to the Square Kilometre Array Observatory (SKAO).
- Upgrades to the 200 MeV Cyclotron, HVAC systems, UPS units, South African Isotope Facility (SAIF) hot cells, and building cladding.
- Full commissioning of the 70 MeV Cyclotron for the SAIF.
- Replacing the fractured telescope mirrors at the Southern African Large Telescope (SALT).
- Expanding the polar and environmental research infrastructure.

The NRF derives its income from contracts from the DSTI, the Parliamentary grant, other contract income, sales revenue and interest received. For 2026/27, the NRF's projected total income is R6.6 billion, which broadly comprises the Parliament grant of R1 billion, DSTI-contract income of R4.5 billion, other contract income from other government departments, entities and private institutions of R797.6 million, and income from isotope sales and interest income of R213 million. The increase in funding of R1.1 billion in the current MTEF cycle relates to funding from the BFI for South Africa's hosting obligations to provide various SKA building requirements. These include the Science Processing Centre and Regional Centre, SKA Science Operations Centre, SKA Engineering Operations Centre, MeerKAT National Park fencing, MeerKAT extension and the preparatory costs for the SKA1. A formal proposal for the shortfall in funding of the SKA Project over the next 5 years has also been submitted to the BFI to fund South Africa's obligations to the SKAO amounting to R5 billion.

Furthermore, given the maintenance requirements of other research infrastructures, a submission to the BFI, in collaboration with the Department, for approximately R5 billion distributed over three MTEF cycles, will be required.

The NRF has also submitted a grant application proposal to the National Skills Fund for funding of postgraduate students and postdoctoral fellows for the 2026, 2027 and 2028 academic years. The proposal requests funding for 5 400 postgraduate students and 900 postdoctoral fellows, with a total investment of R1 billion and R333 million required, respectively. Funding will be prioritised for financially needy students, those living with disabilities and exceptional academic achievers, aligned with the Skill Development Act.

Key issues impacting the NRF include:

- Financial Risks - declining government funding; constrained fiscal environment; volatility in external donor and grant funding; and dependence on uncertain public resources.

- Infrastructure Risks - ageing and obsolete scientific infrastructure; limited refurbishment budgets; infrastructure degradation; and risk of infrastructure failure.
- Human Capital Risks - loss of scarce skills; inability to attract specialised researchers; ageing technical workforce; and insufficient technical capacity.
- Cybersecurity Risks - increasing cyberattacks and the high costs of digital adaptation and protection.
- Climate and Environmental Risks - climate change impacts on infrastructure; rising environmental monitoring demands; and increased costs associated with resilience and sustainability.
- International Risks - geopolitical instability affecting partnerships; weaker global scientific cooperation; and potential reductions in international funding streams.

4.6. South African Council for Natural Scientific Professions

The South African Council for Natural Scientific Professions registers professional natural scientists, scientists-in-training, technologists and technologists-in-training. The key reasons for registering natural scientists are:

- These professionals provide a service to the public, and the public have a right to be protected from malpractice.
- The profession should be protected by ensuring that acceptable standards of training, and proper conduct, are maintained.

SACNASP states that, through effective regulation, it safeguards the quality and integrity of scientific practice, supports evidence-based decision-making and builds public trust in science.

The current Natural Scientific Professions Act (No. 27 of 2003) is being amended to strengthen SACNASP's regulatory mandate and align it with the contemporary legislative environment. The Natural Scientific Professions Bill was published for public comment on 16 March 2026. It specifically seeks to clarify the mandatory nature of registration; bolster the regulatory mandate of SACNASP and provide the Minister with powers to gazette new fields of practice and registration categories; and align registration and regulation with the current legislative environment.

Through targeted programmes, partnerships and regulatory enhancements, SACNASP aims to build a capable, ethical and innovative scientific workforce aligned with South Africa's national development priorities.

SACNASP reports no changes in its annual performance targets for 2026/27.

SACNASP is self-sustaining, generating revenue from the registration fees it administers. It does not receive a baseline allocation (Parliamentary grant) from the Department. However, the Department has provided additional funding, via contract, to bolster SACNASP's Continuing Professional Development (CPD) programme and enhance its ICT infrastructure. SACNASP's projected total income for 2026/27 is R38.7 million, which includes R25.9 million in fees and R12 million in DSTI-contract income.

SACNASP states that the Department's current project-based funding is insufficient to meet its full mandate and strategic objectives. However, it states that an annual baseline funding allocation from the Department would be more appropriate and would be used for the:

- Expansion of the Candidate Mentoring Phase (CMP) - To support new entrants into the profession and improve retention. Includes relaunching the Voluntary Association CMP programme and hosting workshops.
- Zero-rating of Candidate Scientist Fees - To promote inclusivity and remove financial barriers for young and disadvantaged scientists.
- Increased CPD Programmes - To meet the target of 70% CPD participation by 2030. Includes the development of the Natural Scientific Professions Academy.
- Professionalisation of the Public Sector - SACNASP is leading efforts to register and upskill public sector scientists. Requires outreach, training and collaboration with government departments.
- Strengthened ICT Infrastructure - To reduce registration turnaround times to under 45 days. Includes digitisation, automation and cybersecurity upgrades.
- Digitised Outreach and Evaluation Systems - To track demographic participation (women, youth, persons with disabilities). Supports transformation and spatial equity goals.

Key issues impacting SACNASP include:

- SACNASP is not adequately staffed because its income is not yet at a level to populate the necessary positions. Attracting and retaining skilled personnel is a challenge for SACNASP.
- The growth in the number of registered scientists per annum is not representative of the number of students graduating per annum with natural science degrees in South Africa.
- The value add to registered scientists must be developed further and managed.

- The registration process remains cumbersome due to ineffective ICT infrastructure and business application processes.
- There are scientists in industry, academia and government practice that are not registered at SACNASP. More interventions are required in terms of registrations of natural scientific staff employed at government level and at state-owned-enterprises.
- Demand side legislation and policies need to be assessed and addressed to ensure professional registration is included in such.
- SACNASP continues to experience challenges with collecting annual fees and rising bad debt. Hence, the provision for the bad debt allowance has increased year-on-year.
- SACNASP is engaging the Department on a potential fee reduction / zero fees for Candidate Natural Scientists, who are usually youth and unemployed.

4.7. South African National Space Agency

The South African National 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". Hence, SANSA 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.

SANSA provides vital infrastructure and services that contribute to South Africa's scientific, industrial and societal priorities. Domestically, SANSA supplies Earth observation data and derived products used by government departments and agencies for food security monitoring, drought and flood mapping, environmental compliance and mining/land-use oversight. Regionally, SANSA hosts Africa's only 24/7 operational Space Weather Centre that issues alerts that protect critical infrastructure, aviation and satellite systems from solar storms and ionospheric disturbances and provides training, data and coordination services across the continent, contributing directly to Africa's scientific capacity and to the objectives of Agenda 2063 and the African Union's African Space Policy and Strategy (2016). SANSA's ability to host and operate ground stations, including the Hartebeesthoek facility, has also made South Africa a global partner in international missions and commercial tracking services, which raises the country's profile and creates revenue opportunities.

SANSA's Strategic Plan defines 2025 onwards as the "RAMP-UP Phase", marking the shift from an emerging space nation to an intermediate space nation. The RAMP-UP Phase will pursue the:

- Launch of the EOSat-1 Earth Observation satellite and the development of subsequent satellites.
- Operationalisation of the Denel Houwteq Satellite Assembly, Integration and Test (AIT) facility and the Matjiesfontein Deep Space Network.
- National Space Launch Capability feasibility and pilot testing with Denel Overberg Test Range (OTR).
- Establishment of Digital Earth South Africa (DESA) and Earth Observation Data Cube.
- Enhanced Space Weather and Defence applications for sovereign resilience.
- Expanding human capital programmes and public awareness campaigns to attract youth.
- Strengthened participation in international missions (e.g., International Lunar Research Station, BRICS cooperation).

For 2026/27, There are steady increases across a number of performance targets, with both EO-Sat1 and the Houwteq AIT facility set for 100% achievement of the project milestones. Revenue generated from space operations, applications and services is also estimated to grow from R155.2 million to R213.9 million.

For 2026/27, SANSA's projected total income is R811.8 million. This broadly comprises the Parliamentary grant of R150.3 million, the SIH allocation of R358.2 million, ringfenced grants of R61.8 million and contract income of R159.2 million. The contract income comprises R125.8 million from foreign contracts, R25.9 million from public sector and R7.5 million from the private sector.

The financial trajectory underscores both progress and vulnerability. While SANSA has diversified its revenue through international ground-station contracts (Space Operations), Earth observation data services and research collaborations still rely on fiscal appropriations. The 2025-2030 Strategic Plan identifies a financing gap of R2.1 billion over the five-year cycle to fully implement the SIH, launch EOSat-1 and follow-on satellites, and complete the Houwteq AIT facility and Matjiesfontein Deep Space Network infrastructure portfolios. To mitigate risk, SANSA has initiated a Space Commercialisation and Investment Strategy that seeks private co-investment, PPPs and expanded international contracts. It also plans to establish a SANSA Commercial Subsidiary to manage fee-based services, improve cost recovery and ring-fence revenue for reinvestment in research and technology.

Key issues impacting SANSA include:

- SANSA has since its inception been sub-optimally funded. Hence, the limitations that have resulted are:
 - SANSA's inability to fully meet its legislated mandate, especially regarding global navigation satellite services (GNSS) and satellite telecommunications solutions and applications.
 - Provision of limited support to the local space industry.
- Key cost drivers remain the cost of access to earth observation satellites, maintaining data storage facilities, developing the earth observation satellite EO-Sat1, and attracting and retaining high-end, scarce skills.
- The establishment of SANSA merged highly technical organisations, all with high-end infrastructure to maintain and upgrade as needed (and not available anywhere else in the country or on the continent). It is from this infrastructure that SANSA generates its contract income. Historically, capital expenditure for the maintenance and upgrading of existing infrastructure has been significantly sub-optimal.
- Regulatory lag: the Space Affairs Act predates modern commercial small-satellite activity and downstream data markets. National Space Policy, regulatory frameworks for licensing, export control, spectrum and spectrum coordination and insurance/liability regimes require modernization to match current industry realities.
- Dual-use and coordination risks: the emerging collaboration between SANSA (civil) and Denel (defence) in space-related domains requires transparency to ensure compliance with international treaties (Outer Space Treaty, 1967) and non-proliferation obligations.

4.8. Technology Innovation Agency

The Technology Innovation Agency's core mandate is to support and intensify technological innovation in South Africa by facilitating the translation of publicly funded research into commercially viable products, processes and services that contribute to economic growth and socio-economic development. TIA plays a catalytic role in the NSI by providing funding, non-financial support, and enabling infrastructure to innovators, entrepreneurs and small, medium and micro enterprises (SMMEs) across sectors. This mission aligns directly with national priorities for economic transformation, job creation and competitiveness.

The current strategic planning cycle centres on the TIA 2.0 Corporate Strategy, a ten-year strategic framework that aims to reposition TIA from a primarily transactional funder of individual projects to a programmatic curator of innovation ecosystems that support systemic, high-impact strategic innovation

programmes across priority economic sectors. The strategy is structured around three phases, Consolidate, Grow and Scale, with an initial emphasis on strengthening institutional capability, enhancing collaboration across stakeholders and embedding organisational excellence and impact-driven performance. Key elements include deeper integration with broader innovation agendas, support for digital transformation, and targeted interventions to address climate, energy and industrial transformation challenges while ensuring inclusivity and broad participation in the innovation economy.

TIA's performance is measured across three strategic outcomes. Key targets for 2026/27 include:

Outcome 1: Intensified commercialised innovations in support of inclusive economic growth, sustainable development, and transformation.

This outcome focuses on translating intellectual property (IP) from publicly funded research into market-ready products.

- 65 projects involving industry partnerships to be executed.
- 255 IP and knowledge-based prototypes developed and 60 products launched.
- 40 successfully diffused technologies and 45 bio-based technology demonstrations.

Outcome 2: Enabling and strengthening the innovation ecosystem.

This outcome aims to lower barriers to entry for marginalized innovators and provide technical infrastructure.

- Leverage R325 million in additional funds for the innovation ecosystem.
- Provide SET support to 4 000 SMMEs and co-operatives.
- Support 150 grassroots innovators.
- Establish three new fund managers (Black or women-led) and support six start-ups or spin-outs through fund managers.

Outcome 3: A more capable, scaled-up, agile and sustainable TIA supporting a capable state.

This outcome focuses on internal efficiency and financial self-sufficiency.

- Generate R25 million from royalties, sales, and exits from commercialized innovations.
- Manage R400 million in funds through strategic partnerships to reduce reliance on the MTEF.

Key Transformation and Growth targets include:

- At least 53% of available investment funds must be allocated to designated groups (including women, youth and persons with disabilities).
- At least 30% of investment funds are targeted for underserved (non-urban/rural) provinces to bridge regional disparities in the NSI.
- For industry-related projects, targets include $\geq 30\%$ for women, $\geq 20\%$ for youth and $\geq 10\%$ for persons with disabilities. To date, TIA has never met its target for supporting persons with disabilities.

For 2026/27, TIA's projected total income is R1 billion, which comprises the Parliamentary grant of R458.8 million and an additional income (contracts, interest and royalties) target of R531.6 million. A critical focus in 2026/27 is the continued refinement of TIA's funding and revenue model to improve long term sustainability.

Key issues impacting TIA include:

- Demand for innovation funding continues to outpace available resources.
- As recommended in the Ministerial Review and aligned with the approved TIA business case, TIA will engage the Executive Authority and relevant stakeholders on the rescheduling of TIA as a Schedule 3B public entity in terms of the PFMA.
- Suboptimal organisational structure for implementing the new TIA 2.0 Strategy, as well as a high vacancy rate.
- TIA struggles with the efficiency of its investment processes, consistently failing to meet its own turnaround time targets for funding applications.
- Inadequate funding to respond to increased demand and dynamism of the innovation ecosystem.
- TIA has inadequate internal commercialisation capacity and capability, as well as insufficient support tools for commercialisation.
- Weak positioning with stakeholders.
- Operating in silos (internal fragmentation) with a lack of cross-functional teams and an under-capacitated structure.
- Weak branding and marketing.

5. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

The Committee's engagements with the Department and the entities highlighted that South Africa's STI institutions are operating in an environment characterised by:

- Heightened geopolitical tensions and fragmentation of global scientific cooperation.
- Intensifying competition for advanced technologies, critical minerals and strategic innovation capabilities.
- Declining domestic R&D expenditure as a percentage of GDP, especially the declining business expenditure on R&D.
- Fiscal consolidation pressures and constrained public finances.
- The withdrawal or reduction of certain international research funding streams, including from the United States.
- Growing urgency around AI, biotechnology, advanced manufacturing, space technologies, digital infrastructure and climate adaptation.
- Persistent inequality, unemployment and weak economic growth requiring innovation-led development solutions.

The APPs of the Department and the entities reflected a strong recognition that science and innovation are no longer peripheral policy areas, but are central to economic sovereignty, industrial competitiveness, national security, public resilience and developmental transformation. Therefore, strengthening the NSI, maintaining strategic science infrastructure, supporting innovation commercialisation, advancing HCD and improving coordination between science institutions and national development priorities were all strongly emphasised.

The Committee acknowledged that STI are becoming increasingly important in a rapidly changing geopolitical environment characterised by technological competition, AI, climate change, digital transformation, energy transition pressures and growing global uncertainty. The Committee generally supported the strategic direction of the sector but expressed concern that South Africa's STI system remains underfunded relative to its national importance. Rather, STI must be treated as a strategic national investment rather than a discretionary expenditure item or South Africa risks falling behind globally if R&D expenditure continues to decline. Furthermore, the Committee stressed that given the country's dire challenges around poverty, inequality and unemployment, the work of the Department and the entities must not only be technically excellent but socio-economically impactful. Science and innovation must contribute more directly to economic growth, industrialisation, job creation and poverty reduction and that the sector must demonstrate clearer measurable socio-economic impact. In addition, the Committee emphasised that good governance, sound financial practices and consequence management were non-negotiables.

The Committee's key concerns included:

Observation 1: Declining R&D investment

One of the strongest concerns was the continued decline in gross expenditure on research and development (GERD) as a percentage of GDP, especially the declining business expenditure on R&D. The Committee stressed that South Africa remains far below the Decadal Plan target of 1.5% of GDP for R&D; inadequate investment threatens long-term competitiveness; research capability could deteriorate if funding levels stagnate; and fiscal consolidation may undermine strategic science capability. The Committee questioned whether government sufficiently appreciates the strategic role of STI in economic development and national resilience.

Recommendation 1:

The Committee recommends that Cabinet consider STI capability a strategic national asset critical to economic sovereignty and long-term competitiveness. Therefore, the Committee recommends that the Minister and the Department, together with National Treasury and relevant economic departments:

- Develop a funded medium- to long-term plan to progressively increase gross expenditure on research and development toward the Decadal Plan target of 1.5% of GDP.
- Expedite the full implementation of the STI Budget Coordination Mechanism.
- Prioritise STI expenditure as a strategic national investment linked to economic growth, industrial competitiveness and national resilience.
- Strengthen incentives for private-sector R&D investment, including enhanced tax incentives and innovation financing mechanisms.
- Develop a comprehensive national strategy to crowd in private-sector and international investment into strategic research areas.
- Protect core scientific and research infrastructure from budget erosion during fiscal consolidation processes.
- Strengthen alignment between STI investment and national industrialisation, energy transition and digital economy priorities.

The Committee requires the Department to report annually, in writing, on the progress toward national R&D intensity targets and the barriers to achieving them.

Observation 2: Fiscal constraints and sustainability

All the entities reported operating under severe budget pressure, and the concerns included the inability to expand programmes despite growing national needs; erosion of infrastructure maintenance budgets; sustainability of research facilities; inadequate funding for innovation commercialisation; and

operational pressures caused by inflation and rising costs. The Committee warned that continuous austerity could result in institutional weakening; loss of skilled personnel; declining research outputs; and the inability to compete internationally.

Recommendation 2:

The Committee recommends that the Department and its entities conduct a comprehensive assessment of the long-term sustainability of all research infrastructure and strategic science platforms; strengthen partnerships with industry, development finance institutions and international partners to leverage additional resources; and improve financial sustainability models for entities heavily dependent on contract income and external funding

Observation 3: Weak commercialisation and economic impact

During deliberations there was a recurring concern that research outcomes do not sufficiently translate into industrial development; commercial products; job creation; support for small enterprises; and broader economic transformation. The Committee questioned why South Africa still imports technologies that could potentially be developed locally; whether entities are sufficiently supporting localisation and industrialisation; and whether the innovation system measures developmental impact. There was particular emphasis on ensuring that public investment in science produces visible public and economic returns.

Recommendation 3:

The Committee recommends that the Department and the entities develop stronger mechanisms to commercialise publicly funded research and innovation; expand support for technology transfer offices, innovation incubators and industry partnerships; prioritise localisation of technologies that can support industrialisation, manufacturing and import substitution; improve support for innovation-driven small enterprises, township innovation ecosystems and rural innovators; establish measurable indicators for socio-economic impact, including job creation, industrial development and localisation outcomes; strengthen collaboration between universities, science councils and industry to accelerate technology uptake; and expand access to innovation financing and venture support for early-stage technologies.

Observation 4: Coordination across the NSI

The Committee noted that fragmentation persists across the NSI, leading to duplication between institutions; weak coordination between departments and entities; insufficient alignment with industrial policy and economic priorities; and poor integration between universities, industry and government.

Recommendation 4:

The Committee recommends that the Department improve coordination between STI institutions and economic departments responsible for industrialisation, energy, digital transformation and trade; establish stronger mechanisms for collaboration between universities, science councils, industry and government; improve monitoring and evaluation systems across entities to track strategic outcomes and national impact; develop integrated innovation missions focused on national priorities such as energy security, AI, water security, health innovation and advanced manufacturing; and enhance intergovernmental coordination to improve uptake of innovation in public service delivery.

Observation 5: AI and emerging technologies

The Committee stressed the urgency of preparing South Africa for the AI economy; risks of technological dependence on foreign platforms; concerns regarding ethical governance of AI; implications for employment and inequality; and the lack of adequate digital infrastructure and skills development. In addition, the Committee expressed concern that South Africa may miss opportunities in emerging technologies if investment and policy implementation remain slow.

Recommendation 5:

The Committee recommends that the Department and all relevant stakeholders accelerate development and implementation of a comprehensive national AI strategy and governance framework; prioritise investment in domestic AI research, skills development and innovation capability; and support the development of sovereign data infrastructure and local digital platforms.

Observation 6: Human Capital Development

The Committee expressed serious concern about the insufficient postgraduate bursary support; declining affordability of postgraduate education; and insufficient support for emerging scientists. Furthermore, the Committee noted the ongoing challenges around the inability to retain top researchers; ageing research workforce; and limited opportunities for young scientists.

Recommendation 6:

The Committee recommends that the NRF and the Department review postgraduate funding models to improve affordability and student sustainability; increase support for emerging researchers and early-career scientists; strengthen transformation initiatives within postgraduate and research programmes; and improve support for historically disadvantaged institutions and underrepresented groups in the research system. The Committee also recommends that the Department, with its entities, develop a coordinated national scientific skills retention strategy.

Observation 7:

The Committee noted with concern that all the entities were struggling with ageing infrastructure and laboratories; long-term sustainability of research programmes; overreliance on contract income; inadequate baseline funding; and had difficulty retaining specialist expertise.

Recommendation 7:

The Committee recommends that the Department and its entities, together with National Treasury, develop a comprehensive long-term institutional sustainability and infrastructure renewal strategy to safeguard South Africa's strategic scientific capability.

Observation 8:

The Committee noted the slow commercialisation of innovations; limited scale of support for innovators and start-ups and insufficient private sector investment in innovation. The Committee also questioned the measurable economic returns from funded projects; the sustainability of innovation financing models; and the regional disparities in innovation support.

Recommendation 8:

The Committee recommends that TIA play a stronger role in supporting township and rural innovation and helping small innovators reach markets.

Observation 9:

The Committee reiterated its concerns about the partnership between SANSA and Denel around the EOSat-1 project and the refurbishment of the Houwteq AIT facility and Denel OTR.

Recommendation 9:

The Committee recommends that the Department and SANSA report, in writing, about the status and outcomes of the partnership.

Observation 10:

The Committee expressed concern at the continued slow pace of transformation across the NSI and questioned whether the stated interventions around postgraduate, researcher and HDI support were adequately addressing the challenges in the system.

Recommendation 10:

The Committee recommends that the Department and the entities intensify and accelerate transformation in human capital development to ensure a more inclusive, representative and sustainable scientific workforce.

Observation 11:

The Committee questioned the level of uptake by government and industry of the research outcomes and policy advice produced by the entities. The Committee wanted to know how the entities communicated and collaborated with relevant stakeholders to ensure that the research and advice was visible; whether the entities monitored uptake and then assessed whether the research or policy advice led to tangible outcomes.

Recommendation 11:

The Committee recommends strengthening the monitoring and evaluation mechanisms of the Department and the entities and that greater attention be devoted to assessing and reporting on outcomes and impact.

Observation 12:

The Committee raised concerns regarding governance stability within entities; accountability for underperformance; and procurement and financial management.

Recommendation 12:

The Committee recommends that the Department and the entities ensure that there is stability within the leadership echelon; improve consequence management; better demonstrate value for money; and strengthen audit outcomes.

The Democratic Alliance, Economic Freedom Fighters, Freedom Front Plus and Umkhonto weSizwe Party have reserved their opinion on Vote 35: Science, Technology and Innovation.

Report to be considered.

3. Report of the Portfolio Committee on Public Service and Administration on the Annual Performance Plan 2026/27 and the Budget Vote 07 of the National School of Government, dated 13 May 2026

1. BACKGROUND

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Portfolio Committee), having considered the directive of the National Assembly to review and report on the Strategic Plan, Annual Performance Plan, and budget allocations of the National School of Government (hereinafter referred to as the School), as tabled by the Minister in terms of the Public Finance Management Act (Act No. 1 of 1999), reports as follows:

2. INTRODUCTION

Parliament plays an important role in overseeing the planning and performance of government departments, public entities, as well as Chapter 9 and Chapter 10 institutions. The Public Finance Management Act (Act No. 1 of 1999), Section 27, stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of that financial year.

Furthermore, the Money Bills Amendment Procedure and Related Matters Act (Act No. 9 of 2009), Section 10(1)(c), requires that relevant members of the Cabinet table updated Strategic Plans and Annual Performance Plans for each department, public entity, or institution. These plans must then be referred to the relevant Portfolio Committee for consideration and reporting.

In considering the tabled Strategic Plan and Annual Performance Plan, the Committee ensured that both the plans and the budget allocations of the National School of Government (NSG) serve the needs and aspirations of public servants. Budget allocation is a key instrument through which government promotes socio-economic development. It also functions as an economic tool that reflects the country's policy priorities by translating political commitments into measurable expenditure.

The budget further serves as a critical mechanism for operationalising government programmes and achieving strategic objectives, while also highlighting constraints and trade-offs in policy choices.

On 05 May 2026, the Committee received and considered a presentation on the Strategic Plan, Annual Performance Plan, and budget allocation of the National School of Government. This report summarises the presentation, with a focus on the 2025–2029 Strategic Plan, the 2025/26 Annual Performance Plan, and budget allocations over the Medium-Term Expenditure Framework (MTEF).

3. LEGISLATIVE MANDATE

Section 197 of the Constitution provides for a public service within public administration, which must function, and be structured, in terms of national legislation, and which must loyally execute the lawful policies of the government of the day. The NSG, as a national public service department, thus draws its mandate from national legislation – the Public Service Act, 1994 (Proclamation 103 of 1994), as amended. This is the core mandate which establishes the NSG for it to fulfil a function of providing training or causing the provision of training to occur within the public service. Accordingly, section 4 of the Act provides the following mandate:

- (1) There shall be a training institution listed as a national department (in Schedule 1 of the Act).
- (2) The management and administration of such institution shall be under the control of the Minister (Public Service and Administration).
- (3) Such institution shall provide such training or cause such training to be provided or conduct such examinations or tests or cause such examinations or tests to be conducted as the Head of the institute may with the approval of the Minister decide or as may be prescribed as a qualification for the appointment or transfer of persons in or to the public service. The School may issue diplomas or certificates or cause diplomas or certificates to be issued to persons who have passed such examinations.

Whilst this piece of legislation empowers the NSG to fulfil its mandate, the limitation of the Public Service Act is that it is applicable to the national and provincial spheres of government. Another piece of enabling legislation - Public Administration Management Act, 2014 (Act No. 11 of 2014) - gives effect, inter alia, to the progressive realisation of the values and principles governing public administration across the three spheres of government.

4. OVERVIEW OF THE NSG

The National School of Government (NSG) draws its mandate from the Constitution, and with particular reference to 195(1) (h), which stipulates that: “good human resource management and career-development practices, to maximise human potential, must be cultivated”. The applicability of this, and the other values and principles to the three spheres of government, organs of state and public enterprises indicate the requisite depth and the reach of the NSG in order to fulfil this constitutional mandate.

The Public Administration Management Act (PAMA), 2014 gives an effect to the progressive realization of the values and principles governing public administration across the three spheres of government. The current provisions of the Act in relation to the NSG provide for the School to promote the progressive realisation of the values and principles governing public administration and enhance the quality, extent and impact of the development of human resource capacity institutions through education and training. The provisions of the Act also provide for the interaction with and fostering collaboration among training institutions, higher education institutions, and private sector training.

The NSG has to ensure that all of the basic values and principles are inculcated into the value system and performance of all public servants and representatives through Education, Training and Development (ETD) initiatives. It does so through its curriculum design, development and delivery approach with the practical application of participatory, people-centred methodologies and the application of indigenous facilitation and learning techniques during the ETD initiatives, in building a caring ethos and citizen-centred service delivery focus amongst public servants. This approach consciously focuses on the application of the principles and values of the Constitution and the realisation of the public administrative justice to all whom we serve.

4.1 Future Repositioning of the NSG

Over the next five years, the NSG will enhance its repositioning towards a world-class public sector education and training institution. To contextualised the NSG’s repositioning, it was important to assess the institution with other schools of government globally. The NSG’s repositioning is, therefore, in line with the changing focus, expectations and demands of other schools of government. Many factors influence this changing scope and demands, including responding to skills required in a future world of work, complex public sector challenges and resources to deliver education and training. Key strategic interventions will be further developed and implemented over the next five years, as outlined below:

- Developing learning pathways for public servants
- Designing and delivering compulsory education and training for the public sector.
- Assessing and utilising subject matter and curriculum expertise
- Designing and delivery executive education
- Massifying Open Distance eLearning (ODEL)
- Undertaking intellectual leadership and state capability insights

5. MEDIUM-TERM DEVELOPMENT PLAN

The Medium-Term Development Plan commits to building a capable, ethical and developmental state, as articulated under Government Priority 3, with specific implications for the National School of Government (NSG):

5.1 An Ethical, capable and professional public service

The public service has been transformed to reflect the diversity of South Africa's population, and mechanisms have been introduced to enhance state accountability through oversight by Parliament and Chapter 9 institutions. Despite these foundational gains, functional weaknesses continue to hinder the state's ability to fully pursue developmental objectives, resulting in inconsistent performance across all spheres of government.

To address these challenges, a key intervention under the MTDP is the enhancement of technical capacity and the professionalisation of public administration. These reforms must be led by Cooperative Governance structures and should focus on structural and strategic actions to be undertaken during the 7th Administration.

6. STATE OF THE NATIONAL ADDRESS

In his 2026 State of the Nation Address, President of the Republic of South Africa, reaffirmed the call for a capable, ethical and developmental-focused state supported by a professional and responsive public service. The President further mentioned that “harnessing the spirit of the women of 1956, the youth of 1976 and the Constitution of South Africa of 1996, the year 2026 must be a year of transformative change. This must be the year that we make South Africa stronger. We must fix local government. We must fight crime, corruption and restore trust in the criminal justice system. We must create jobs and livelihoods for every South African, and we must build a state that works for the people.”

7. STRATEGIC GOALS OF THE NSG

The NSG strategy is aligned to the MTDP as well as the performance agreement of the Ministry for Public Service and Administration (MPSA) and is able to contribute to all of the aforementioned outcomes through Education and Training Development (ETD) interventions. These outcomes and interventions are the reduction of wasteful, fruitless and irregular expenditure in public sector institutions; the reduction in incidents of corruption in the public sector; socio-economic rights; and gender mainstreaming in public sector institutions. The NSG has, with a focus on social compact and engagement with citizens, developed and implemented ETD interventions in supporting the progressive realisation of socio-economic rights of communities.

The key strategic priorities of the Vote set for 2025/29 are:

7.1 Creating digital learning opportunities

Given that the primary mode of education, training and development (ETD) delivery was based on face-to-face contact learning, there was an urgent need to review the delivery modality and shift as many courses and programmes onto the Open Distance eLearning (ODEL) and virtual learning platforms. Upskilling and reskilling public servants is essential, with NSG placing future skills development at the forefront. This involves integrating digital literacy and skills into the curriculum and collaborating with industry partners.

Education and training programmes must focus on digital skills, encompassing data analytics, Artificial Intelligence (AI) and emerging technologies, so public servants can effectively leverage technology. Additionally, a strong emphasis on data-driven decision making is essential, teaching officials how to responsibly interpret data and incorporate analytics into policy design. The NSG has prioritised the development of a suite of specialised digital transformation courses aimed at capacitating public servants with digital skills in Generative Artificial Intelligence (AI), Robotics, Cybesecurity, and the Internet of Things (IoT). The NSG's online learning platforms will also play a crucial role.

7.2 Integrating the ETD Delivery Approach

The NSG is enhancing its integrated approach to programme design and delivery by prioritising collaboration over siloed operations to create a cohesive delivery model. Recognising the

interconnectedness of decisions across its value chain, the NSG is assessing its functional structure, conducting job profiling and mapping business processes to ensure seamless operations. In alignment with the Operations Management Framework (2016), it is reviewing the Service Delivery Model and Charter while developing a new Service Delivery Improvement Plan to align its new strategy.

7.3 Achieving Outcomes and Public Value

To fully realise its aspirations of strategically integrating ETD interventions to enhance state capacity and capability, the NSG will elevate its evaluation function towards an integrated institutional evaluation system. This system should be grounded in using evaluation evidence to inform decision-making across the entire NSG value chain. To accurately assess the quality and impact of ETD interventions on learners and various institutions and to provide comprehensive feedback to stakeholders, the current monitoring and evaluation system for training programmes should be expanded into a more integrated ETD evaluation system.

This enhanced system could also contribute to Total Quality Management (TQM) by applying evaluation methodologies, approaches, findings and reports. Over the five-year strategic period (2025-2030), the NSG will undertake institutional impact evaluation studies at identified public sector institutions to determine the improvement in capabilities, such as economic governance and social cohesion.

7.4 Information and Communication Technology (ICT) and Strategic Priorities

In the last strategic period (2020-2025), the NSG has undertaken significant work in positioning itself towards modernising ETD in the public sector. The strategic narrative on ICT broadly reflects four key pillars: scaling- e-learning, fostering digital competencies, enabling access and digitally transformation the organisation. The ICT driven eLearning expansion has resulted in exponential enrolments in NSG courses and blended learning approaches. It has also aligned with the National Digital and Future Skills Strategy, which emphasise closing the digital divide through basic and advanced skills development, building competencies in data integrity and digital governance and collaboration between government, private sector and academia to drive innovation.

The NSG's ICT infrastructure proved critical during the COVID-19 pandemic, enabling the transition from in-person to hybrid models without compromising delivery. Clean audit

outcomes were attributed to efficient ICT governance and solutions in place to enhance security.

7.5 Mainstreaming gender, youth and disability

Mainstreaming of gender, youth and disability in all programmes and activities of the department is key in ensuring that the empowerment of these designated groups is prioritised. To attain this, departments need to develop and implement plans, programmes, budgets and systems that are responsive to the needs of women, youth and persons with disabilities. The Gender, Youth and Disability-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing (GEYODI-RPBMEA) is one such Plan that the NSG implements and monitors.

In addition to the Framework's implementation, the NSG continues to implement 18 National School of Government the National Strategic Plan on Gender-Based Violence and Femicide (NSP on GBVF). The NSG responds to Pillar 2 (Prevention and rebuilding social cohesion) of the GBVF NSPs six pillars. The NSG remains committed to supporting the implementation of the National Strategic Plan and will ensure the following:

- Promotion of the Plan within the NSG, as well as educating employees on gender-based violence and femicide.
- Incorporation of the Plan into the curriculum of NSG courses and programmes, in particular the course targeting SMS on dealing with issues of discrimination.
- Continued rollout of programmes such as gender mainstreaming, gender-based budgeting and reporting, and diversity management.

Elevating gender-based issues for discussion within the departmental Employment Equity Forum. Gender, youth and disability targets within the department's policies, programmes and plans such as the Workplace Skills Plan, the HR Plan, Procurement, and others, are aligned to the NSG's Employment Equity Plan targets of 50% women, 30% youth and 3% persons with disabilities. These targets are monitored and reported on throughout the year to ensure that the empowerment of these population groups is always in the line of sight. Integrating gender, age and disability into departmental and social plans, budgets and programmes is key in ensuring that the NSG plays its part in advancing the Constitutional vision of an equitable and non-sexist society that promotes the economic growth of all citizens; particularly those who have been previously disadvantaged.

The NSG strategy is aligned to the MTSF as well as the performance agreement of the Ministry for Public Service and Administration (MPSA) and is able to contribute to all of the aforementioned outcomes through Education and Training Development (ETD) interventions. These outcomes and interventions are the reduction of wasteful, fruitless and irregular expenditure in public sector institutions; the reduction in incidents of corruption in the public sector; socio-economic rights; and gender mainstreaming in public sector institutions. The NSG has, with a focus on social compact and engagement with citizens, developed and implemented ETD interventions in supporting the progressive realisation of socio-economic rights of communities. This Programme aims to capacitate Community Development Workers (CDWs), facilitate participatory community engagement for Ward Councillors, and Traditional Leaders for socioeconomic development.

8. ANNUAL PRIORITIES 2026/27

The National School of Government will focus on the following performance priorities:

- Designing and delivering ETD interventions aimed at enhancing capabilities in economic governance, improved governance and social cohesion. The School projected target is to train 56 574 learners on compulsory and demand-led ETD interventions.
- Finalising the directive (with the DPSA) for the design and delivery of additional compulsory programmes, including programmes for local government.
- Finalising the NSG Learning Pathways Framework and the micro-credentials framework for the public sector. The School target is to obtain accreditation for a postgraduate qualification from a Quality Council.

9. BUDGET ALLOCATION

9.1 Budget Analysis

The National School of Government's overall budget allocation for 2026/27 is R240.2 million, compared to R228.7 million in 2025/26. This represents an increase of R11.5 million (4.57 per cent) in nominal terms. However, in real terms, the total budget increases by only 0.12 per cent

between the 2025/26 and 2026/27 financial years, indicating that growth is largely offset by inflation. Of the R240.2 million budget allocation for the 2026/27 financial year, R117.2 million is transferred to the NSG Trading Account. This translates to a 49 per cent transfer to the Trading Account. Of the remaining R122.9 million (51%) of the budget allocation, an amount of R69.5 million (29%) is allocated to Compensation of Employees.

The budget allocation for Programme 1 to the National School of Government (NSG) by the National Treasury has not grown at the same pace as other programmes, largely due to the School's ability to generate its own revenue through training courses and programmes. While this revenue-generating model promotes a degree of financial sustainability and reduces reliance on the fiscus, it also presents several risks and trade-offs.

Firstly, an over-reliance on self-generated revenue may shift the School's focus toward income-generating activities at the expense of its core mandate of building a capable and developmental public service. This could result in prioritising courses that are commercially viable rather than those that are strategically important for strengthening state capacity.

The School's budget is divided into two programmes, which share the allocation almost equally. Programme 1: Administration accounts for 51 per cent (R122.9 million) of the total budget, while Programme 2: Public Sector Organisational and Staff Development accounts for the remaining 49 per cent (R117.2 million).

Overall, the financial analysis indicates modest nominal growth across programmes; however, negative real growth suggests that the budget is not keeping pace with inflation. These places increasing pressure on the National School of Government's ability to deliver on its core mandate, particularly in relation to public sector capacity-building. The decline in real funding for Programme 2 is of particular concern, as it may undermine efforts to professionalise the public service and build a capable state.

Furthermore, the mandate of the NSG has expanded across the public sector, including national and provincial government, local government, the legislative sector, state-owned enterprises, and other organs of state. This expanded mandate aligns with the Medium-Term Development Plan (MTDP) priority of building state capacity, thereby placing additional demands on the School's limited resources.

Table 1: Budget Allocations

Overall budget for 2026/27

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
R million	2024/25	2025/26	2026/27	2027/28	2025/26-2026/27		2025/26-2026/27	
Programme 1: Administration	110.8	116.2	122.9	126.3	5.4	0.2	4.87 per cent	0.17 per cent
Programme 2: Public Sector Organisational and Staff Development	107.9	112.5	117.2	121.9	4.6	- 0.5	4.26 per cent	-0.42 per cent
TOTAL	218.7	228.7	240.1	248.2	10.0	- 0.3	4.57 per cent	-0.12 per cent

Source: National Treasury (2026)

8.1 PROGRAMME PERFORMANCE

The NSG has two programmes whose budget and activities are as follows:

8.1.1 Programme 1: Administration

The purpose of this Programme is to provide strategic leadership, management and support services to the School. The budget for the Programme 1 increased from R116.2 million in 2025/26 to R122.9 million in 2026/27. This represents a 0.17 per cent increase in real terms in the budget allocation between 2025/26 and 2026/27. The Programme is one of the two major cost drivers under this Vote, consuming 51 per cent of the overall allocation.

The Corporate Services sub-programme dominates expenditure under the Programme, consuming R103.4 million (83.9 per cent) of the budget allocation to the Programme. This is followed by Management, which consumes R13.7 million (11.3 per cent) of the allocation. The Management sub-programme also looks after the Office of the Principal, which leads the organisational change and transformation agenda, whilst at the same time ensuring adherence to good corporate governance practices, and financial viability and sustainability of the trading entity of the NSG.

The Programme has four targets for the financial year, which are to implement six ICT projects enabling NSG operations. Furthermore, implement 100 per cent of the management improvement plan based on the previous audit outcome to ensure reduction of audit findings implemented. The School will implement 100 per cent of the NSG Communication and Marketing Strategy.

8.1.2 Programme 2: Public Sector Organisational and Staff Development

The Public Sector Organisational and Staff Development (Programme 2) is responsible for facilitating transfer payments to the Training Trading Account, which provides education, development and training to public sector employees. The budget allocation for Programme 2 slightly increased to R117.2 million in 2026/27 from R112.5 in 2025/26. In real terms the budget allocation of Programme 2 increased by -0.42 per cent between 2025/26 and 2026/27.

This Programme consumes 49 per cent of the overall budget. The Programme's budget (R117.2 million) is allocated to the National School of Government Training Trading Account sub-programme, which provides education, development and training to public sector employees.

During the 2026/27 financial year, Programme 2 will seek to achieve several key outputs, including the development of skills assessment reports to inform targeted capacity-building interventions. The National School of Government aims to train 56,574 learners through compulsory and demand-led education, training, and development (ETD) interventions. In addition, the School will host ten thought leadership platforms and seminars, and induct 60 board members of state-owned entities.

9 OBSERVATIONS AND FINDINGS

The Portfolio Committee identified the following matters in relation to the Budget Vote 7:

9.1 The Committee notes the Annual Performance Plan (APP) of the National School of Government (NSG) for the 2026/27 financial year. The APP outlines and contextualises the work of the NSG, which is aimed at strengthening state capacity and fostering a professional, capable, ethical, and developmental state through education, training, and development (ETD).

9.2 The Committee commends the Minister and the National School of Government (NSG) for appointing a Ministerial Advisory Committee focused on curriculum development and quality assurance. The Committee notes that all members of the advisory body possess the necessary expertise, experience, and skills to effectively carry out this responsibility and guide it in the right trajectory.

9.3 Due to the passing of the amendments to the Public Administration Management Act of 2014, the NSG will be regarded as a national department once the Act has been proclaimed. The NSG will provide education and training programmes or courses in the public administration across three spheres of government and to public entities.

- 9.4 In order to fully implement the provisions of the PAM Act, the NSG has to reconfigure its governance and institutional structures, as well as its academic staffing over the MTEF. The Ministry for the Department of Public Service and Administration together with the National Treasury, have to provide additional funding to support the School expanded mandate and to establish well-capacitated institution capable of generating its income on its own in the future without reliance on the fiscus.
- 9.5 Following the implementation of the Nyukela training programme across job-level-categories in the public service, the School and the Department has to ensure that officials who have attended Nyukela course at middle management positions are not disadvantaged in being considered for promotions to senior management positions. The Nyukela programme for middle management has to be leveraged to promote and support upward mobility within departments.
- 9.6 Compulsory ethical training programmes have to be linked with career progression, rather than becoming a box-ticking exercise for public servants. Ethical competence has to be aligned with the performance reviews across state institutions. Despite the provision of training, officials who attend compulsory courses, such as ethics training, are expected to perform functions differently and demonstrate improved conduct. There must be a noticeable change in the behaviour of cohorts of officials who have completed ethics courses at the School.
- 9.7 The NSG continues to serve as a champion of knowledge within the public sector by fulfilling its mandate to provide and facilitate education, training, and development across the three spheres of government, state-owned entities, and organs of state. The School designs ETD programmes aimed at introducing new skills into public administration.
- 9.8 The Committee notes that the NSG has prioritised the development of a suite of specialised digital transformation courses to equip public servants with digital skills in Generative Artificial Intelligence (GenAI), Robotics, Cybersecurity, and the Internet of Things (IoT). The School has develop training courses to empower public servants about minimising any form of abusing on the AI generated reports and its implication.

- 9.9 The NSG is encouraged to consider implementing outcome-based education, training, and development courses by developing a matrix to monitor the performance of students/learners who have undertaken School courses. While the Committee acknowledges NSG's progress in ETD, it highlights the need to assess the outcomes and impact on trained public servants.
- 9.10 The Committee notes that training courses and programme offerings have been adapted to a new hybrid model to reach more public servants across the country. The NSG is encouraged to engage telecommunication service providers to improve the infrastructure necessary for remote training and development.

10 RECOMMENDATIONS

The Portfolio Committee recommends that the National School of Government undertake the following:

- 10.1 The National School of Government (NSG) should develop a comprehensive suite of programmes and courses that respond to the needs and demands of local government level and public entities. Collaboration should be the main emphasis in the development of training programmes for local government and public entities.
- 10.2 The NSG should collaborate with the Department of Cooperative Governance and the South African Local Government Association (SALGA) to assess training needs and demands, with a view to addressing service delivery challenges at the local government level.
- 10.3 In order to fully implement the provisions of the PAM Act, the National School of Government (NSG) should reconfigure its governance and institutional structures, as well as its academic staffing, over the Medium-Term Expenditure Framework (MTEF) period.
- 10.4 The Ministry for the Public Service and Administration (DPSA), together with the National Treasury, should continue to provide additional funding to support the NSG's expanded mandate and to establish a well-capacitated institution capable of generating its own income in the future, thereby reducing reliance on the fiscus.

- 10.5 Following the implementation of the Nyukela training programme across job-level categories in the public service, the NSG and the Department should ensure that officials who have completed the Nyukela course at middle management level are not disadvantaged in being considered for promotion to senior management positions. The Nyukela programme for middle management should be leveraged to promote and support upward mobility within departments.
- 10.6 Ethical competence should be aligned with performance reviews across state institutions. Despite the provision of training, officials who attend compulsory courses, such as ethics training, are expected to perform their functions differently and demonstrate improved conduct. There should be a noticeable change in the behaviour of cohorts of officials who have completed ethics courses at the School.
- 10.7 The NSG should develop compulsory consequence management and anti-corruption training for senior management services (SMS) members, linked to disciplinary accountability, ethical leadership and financial governance.
- 10.8 The NSG should implement outcome-based education, training, and development (ETD) programmes by developing a comprehensive matrix to monitor and evaluate the performance of learners who have undertaken its courses.

11. CONCLUSION

The National School of Government continues to roll out courses and training programmes relevant to government officials at all levels from entry-level to senior management and executive positions. The School's Education, Training, and Development programmes enhance the performance of public officials and contribute to building a professional, capable, and ethical public administration. The NSG should lead within the ecosystem of public sector education and development. To reposition itself as a leading ETD institution, it must adopt a sustainable funding model to ensure its continued effectiveness.

The Committee acknowledges the National School of Government (NSG) Annual Performance Plan and budget allocation for the 2026/27 financial year, which is aimed at strengthening state capacity through the provision of education, training, and development in the public service. The NSG remains an important pillar in the professionalisation of the public sector, and particularly in advancing the building of a capable, ethical, and developmental state.

The Portfolio Committee recommends as follows:

That the House adopt and approve Budget Vote 07 of the National School of Government.

Report to be considered

4. Report of the Portfolio Committee on Public Service and Administration on the Annual Performance Plans 2026/27 and the Budget Vote 11 of the Department of Public Service and Administration, Dated 13 May 2026

1. BACKGROUND

The Portfolio Committee on Public Service and Administration (hereinafter referred to as “the Portfolio Committee”), having considered the directive of the National Assembly to examine and report on the Strategic Plans (2025–2029), Annual Performance Plans, and Budget allocations of the Department of Public Service and Administration, as well as the Centre for Public Service Innovation, as tabled by the Minister of Public Service and Administration in terms of the Public Finance Management Act, No. 1 of 1999, reports as follows:

2. INTRODUCTION

Parliament plays an important role in overseeing the planning and performance of government departments, public entities, as well as Chapter 9 and Chapter 10 institutions. The Public Finance Management Act, No. 1 of 1999, section 27, stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of that financial year.

Subsequently, the Money Bills Amendment Procedure and Related Matters Act, No. 9 of 2009, section 10(1)(c), stipulates that the relevant Members of Cabinet must table updated strategic plans and annual performance plans for each department, public entity, or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the Strategic Plans and Annual Performance Plans, the Committee ensured that the plans and budget allocations of the Department of Public Service and Administration and the Centre for Public Service Innovation are aligned with the Medium-Term Development Plan 2025–2029. Budget allocation serves as a key instrument for government to promote socio-economic development. It also plays a critical role as an economic tool of government, reflecting the country’s socio-economic policy priorities by translating priorities and political commitments into expenditure. The Budget serves as a vital mechanism to operationalise government activities towards the achievement of its intended priorities. Furthermore, it highlights constraints and trade-offs inherent in policy choices.

On 5th May 2026, the Committee considered presentations derived from the Strategic and Annual Performance Plans, as well as the budget allocations of the Department of Public Service and Administration and the Centre for Public Service Innovation. This report summarises the presentations received, focusing on the 2025–2029 Strategic Plans, the 2026/27 Annual Performance Plans, and the budget allocations over the Medium-Term Expenditure Framework.

3. OVERVIEW OF THE DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

The Department of Public Service and Administration is expected to implement and coordinate interventions aimed at achieving an efficient, effective and development-oriented public service which is an essential element of a capable and developmental state as envisioned in the National Development Plan (NDP) 2030. The Constitution of the Republic of South Africa envisages a Public Service that is professional, accountable and development-oriented.

The NDP identifies specific steps that need to be taken to promote the values and principles of public administration as enshrined in the Constitution. Furthermore, the NDP highlights the need for a well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivery consistently high-quality services, while prioritising the nation's development objectives.

Unevenness in capacity that leads to uneven performance in the Public Service is also acknowledged in the NDP. This is caused by a complex set of factors, including tensions in the political-administrative interface, instability of administrative leadership, skills deficits, insufficient attention to the role of the State in reproducing the skills it needs, the erosion of accountability and authority, poor organisational design and low staff morale. Steps are needed to strengthen skills, enhance morale, clarify lines of accountability and build an ethos of public service. These steps are guided by the need for long-term policy stability as well as awareness of potentially adverse effects of over-regulation.

The main objective of the Department is to put in place the mechanisms and structures that can support departments in developing their capacity and professional ethos. The Public Administration Management Act (PAMA) No 11 of 2014 was signed into law with an objective of establishing a uniform system of public administration to ensure that common norms and standards are achieved at all government levels. This effectively places DPSA at the centre of

ensuring that all operating platforms and units to drive a compliant ethical public service are guided by norms and standards.

4. LEGISLATIVE MANDATE

The Department is mandated by Section 195(1) of the Constitution, which sets out basic values and principles that the Public Service should adhere to and the Public Service Act (PSA) of 1994, as amended. In terms of the PSA, the Minister for the Public Service and Administration is responsible for establishing norms and standards relating to:

- ✓ The functions of the public service.
- ✓ Organisational structures and establishment of departments and other organisational and governance arrangements in the public service.
- ✓ Labour relations, conditions of service and other employment practices for employees.
- ✓ The Health and wellness of employees.
- ✓ Information management.
- ✓ Electronic government in the public service.
- ✓ Integrity, ethics, conduct and anti-corruption; and
- ✓ Transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

5. STRATEGIC PRIORITIES 2025/2029

The priorities for the Department of Public Service and Administration over the medium-term period are informed by the National Development Plan objectives, which are therefore translated into the Medium-Term Development Plan (MTDP) 2025-2029. The Department highlighted the following priorities to the Portfolio Committee:

5.1 Improving compliance with legislative prescripts and enforcing compliance

The core objective of the Department is to put in place the mechanisms and structures that can support departments in developing their capacity and professional ethos, while leaving departments with the ultimate authority for how their departments are run. The Department is mandated to foster good governance and sound administration in the public service. A critical priority over the current medium term expenditure period is to review and improve on the Department's organisational culture. The aim is to ensure that the organisation is correctly positioned to meet the growing demands to provide strategic leadership, advice and

implementation support to government departments and provinces in the pursuit of a public service that is well capacitated to discharge the mammoth task of delivering public services in a timely, speedy and efficient way to the citizens of South Africa.

The Department has tabled amendments to the Public Service Act of 1994 and the Public Administration Management Act, No.11 of 2014 to Parliament. The legislative processes are at an advanced stage to be concluded in the 2025/26 financial year, as both amended legislation are before the National Council of Provinces.

Parliament notes non-compliance with the Department's prescripts by national and provincial departments which continues to be one of the challenges experienced. The Office of Standards and Compliance has to be strengthened to monitor the entire public service to ensure adherence with Public Administration Prescripts and advise the Minister, as well as the required capacity building and enforcement measures to improve compliance.

5.2 Finalisation of the Public Service Amendment Bill and the Public Administration Management Amendment Bill

In the Sixth Administration, the Department tabled to Parliament the Public Service Amendment Bill and the Public Administration Management Amendment Bill as part of public service reforms to align the objectives of the NDP with legislative frameworks. The National Assembly has passed the Bills in the sixth Parliament and referred it to the National Council of Provinces (NCOP) for concurrence.

The Bills were resuscitated in the seventh Parliament for the NCOP to continue processing the legislation in accordance with their legislative mandate processes. During the 2024-2025 financial year, the Public Service Amendment Bill and the Public Administration Management Amendment Bill were adopted by the National Council of the Provinces. The Bills were adopted by the Portfolio Committee and were submitted to the President for assent. The President has enacted the Bills into Law in March 2026.

The Public Service Amendment Bill seeks to amend the Public Service Act, to amongst seeks to (i) vest administrative powers directly on heads of department while ensuring proper oversight responsibility with the executive authority to manage the political administrative dichotomy, (ii) provide for a more strategic role for the Director-General in the Presidency to

support the President and better coordinate the work of the public administration and (iii) provide clarity on the role of the Public Service Commission in respect of grievances, etc.

Whilst the Public Administration Management Amendment Bill seeks to (a) provide for the transfer and secondment of employees from local government to the public service and vice versa to enable the mobility of skills where they are needed, whether in a municipality, provincial or national government and (b) ensure the highest ethical standards of public servants by prohibiting employees from conducting business with organs of state to the extent that is a criminal offence.

The Department is in the process of promulgating supporting regulations and review all legal instruments to align with the enacted law.

5.3 Intensifying and strengthening fight against corruption in the public service

Corruption impedes service delivery, compromises development and undermines public confidence in the State. To strengthen the fight against corruption it is necessary to focus on limiting the scope for conflicts of interest. This is an area where the Department has registered limited progress, as some public service employees continue to do business with the State. Even funds allocated for social relief continue to be embezzled. Some officials appoint ghost workers to benefit from this weakness in the PERSAL system. Conducting lifestyle audits on selected categories of employees and monitoring implementation of the Financial Disclosure Framework by designated employees is improving discipline management. The Financial Disclosure Framework has been extended to other categories of employees in the Public Service, which includes officials working in the finance and supply chain environments. Over the MTDP period, the Minister will designate further categories of employees to disclose their financial interests, with the aim of applying this policy to all employees in the Public Service.

5.4 Improving on the public service annual performance plans (APPs)

The service that is most in demand is that of technical support and advice, as some departments struggle with the interpretation and proper implementation of DPSA prescripts, which often results in requests for deviations from existing policy provisions. To effectively and timeously address this demand; the Department is exploring different ways of providing this assistance

in ways other than physical contact. In this regard, the Department will utilise virtual contact sessions, as well as information to be posted on its website.

5.5 Intensifying the fight against corruption in the public service

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Conducting lifestyle audits on selected categories of employees and monitoring implementation of the Financial Disclosure Framework by designated employees is improving discipline management. The Financial Disclosure Framework has been extended to other categories of employees in the Public Service, which includes officials working in the finance and supply chain environments. Over the MTSF period, the Minister will designate further categories of employees to disclose their financial interests, with the aim of applying this policy to all employees in the Public Service.

The strategic priorities of the Department align with the national strategic imperatives. It is envisaged that the implementation of these strategic priorities will improve service delivery. This calls for effective oversight by Parliament in all the identified areas, in line with the thematic oversight areas identified in the Institution's Oversight and Accountability Implementation Plan.

5.6 Reducing government's wage bill

The Department is tasked with reducing the public sector wage bill to a sustainable level. To this end, in 2024/25, it had developed draft remuneration policy based on the 2023/24 review of remuneration policies across government. The Minister has approved the draft policy by 31 March 2025 which outlines the types of remunerative compensation components (such as salaries and benefits) that are offered to state employees. A revised remuneration strategy and framework for the public service is expected to be implemented over the next five years.

Over the medium term, the Department plans to monitor the implementation of the remuneration policy by national and provincial departments.

5.7 Improve government performance

Given the strong positive impact of perceived performance on trust, it is crucial for government officials at all levels to focus on delivering quality public services. Efforts to enhance transparency, improve efficiency and engage with citizens in meaningful ways are essential to building trust. Regular assessments of public service quality and responsiveness can help identify areas for improvement.

While reducing corruption is important, delivering tangible results in areas such as healthcare, education and infrastructure may effectively build trust. Increasing transparency can include making government budgets and spending reports publicly available and involving citizens in decision-making processes.

5.8 Digitalisation and Modernisation of the Public Service

The evolution of technology has digitally transformed and or reshaped industries, organisations as well as daily human interactions to introduce efficiencies driven by innovation. On the other hand, the public service continues to strive for improved service delivery to the citizens through leveraging technology amongst other proposals. The Department's assessment of its systems and processes, service delivery model and related mechanisms has indicated that there is a need to improve the utilisation of Information Communication Technology (ICT) systems to improve the departments processes as well as its service delivery mechanisms.

Over the MTDP, the departments intend to gradually build its ICT capacity and infrastructure by resource the ICT function from a human and financial perspective to ensure that there is improved deployment of technology to deliver its services and optimise processes. The unlimited deployment of technology has resulted in over reliance on manual modalities to deliver services to the national and provincial departments.

5.9 Enhance whistleblower protections

The low willingness to report corruption highlights a significant barrier to accountability. Strengthening whistle-blower protections, as stipulated in the Protection of Whistle-blowers Act, and ensuring that citizens are aware of these protections are critical steps in encouraging the reporting of corruption. Public awareness campaigns and support systems for whistleblowers could help foster a culture of accountability.

Although corruption in all its manifestations continues to be a challenge in South Africa's public and private sector. The DPSA has introduced several norms standards and interventions aimed at tackling public service-related corruption which include regulations on doing business with the organs of state, financial disclosures, codes of conduct, administrative law mechanisms, whistleblower protection, monitoring, lifestyle audits, training in and support of ethical conduct as well as partnership with law enforcement agencies. These are bearing the required fruits as evidenced in November 2024 where Adv Batohi informed SCOPA that almost 700 public service employees were found guilty of corruption over the last five years.

6. STRATEGIC FOCUS OF THE DEPARTMENT 2026/27

The strategic focus of the Department is based on the National Development Plan (NDP) 2030, the Medium-Term Development Plan (MTDP) 2025-2029 and the 2026 State of the Nation Address (SONA).

6.1 A State that is capable and competent, underpinned by a professional service

Building a capable and competent government remains a key strategic priority of the 7th Administration. This priority aligns with the National Development Plan, which aims to establish a state capable of playing a developmental and transformative role. Since the government committed to building a capable, ethical, and developmental state, several interventions have been introduced, including amendments to the Public Service Act, the Municipal Systems Act, and the Public Administration Management Act.

Among the proposed legislative reforms is the devolution of Human Resource Management powers from the Executive Authority to Accounting Officers, granting Directors-General full responsibility for departmental management. Meanwhile, the Executive Authority retains the power to provide strategic direction for departments.

The approval of the National Framework Towards Professionalisation of the Public Sector has also provided clear direction for correcting past actions, such as the appointment of individuals to senior management positions without the requisite qualifications. Now, the emphasis is on merit-based appointments. Additionally, the 7th Parliament has revived the Public Service Commission Bill, which seeks to repeal the existing Public Service Commission Act. All these interventions aim to build a capable, ethical and competent public service underpinned by professionalism.

6.2 A State that treats all people with dignity, humility and respect

The White Paper on Transforming Public Service Delivery introduces a fresh approach to service delivery by putting pressure on systems, procedures, attitudes, and behaviors within the public service reorienting them in favor of citizens. This approach, commonly referred to as "putting people first," is encapsulated in the Batho Pele (People First) principles.

The Batho Pele Program, along with the Public Service Charter, must be revitalized and strictly enforced to achieve the strategic priority of building “a state that treats all people with dignity, humility, and respect.” Consistent implementation of the Compulsory Induction Program, introduced by the National School of Government, could also support the government in achieving this objective.

The state is required to ensure that citizens are able to access affordable, high-quality and uninterrupted public services. Accordingly, over the period ahead, the department will monitor other departments implementation of the revised Batho Pele programme, which is underpinned by the pillars of building capacity, developing context-specific standards, fostering compliance, ensuring continual implementation and ensuring accountability through monitoring and evaluation.

6.3 A State with leaders who are prepared to serve our people with complete dedication

Leaders who serve the country with complete dedication build close relationships with their communities. Servant leadership seeks to involve others in decision-making, is strongly rooted in ethical and caring behavior, and enhances the growth of employees while improving the quality of organizational life. Dedicated leaders possess key traits, including listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and community building.

There are also core values that consistently guide dedicated and servant leaders, such as trustworthiness, respect, responsibility, fairness, caring, and good citizenship.

6.4 Public servants’ who are ethical, skilled and properly qualified

Chapter 13 of the National Development Plan (NDP) identifies key challenges in achieving developmental objectives, including the uneven capacity that leads to inconsistent performance

in the public sector. The NDP highlights that this unevenness is caused by a complex set of factors, including skills deficits that hinder the implementation of government programs.

Moreover, maintaining a high standard of conduct in public service has become a critical issue. An ethical state is driven by constitutional values, the principles of public administration, and adherence to the rule of law.

In April 2024, the Public Service Commission (PSC) tabled a Report on the Qualifications of Senior Managers in Public Service before Parliament. The report revealed that despite the clearly articulated requirements for appointments into Senior Management Service (SMS) positions outlined in the Department of Public Service and Administration (DPSA) 2015 Directive on Compulsory Capacity Development, Mandatory Training, and Minimum Requirements, as well as the Public Service Regulation, 2016 there were still SMS members appointed without meeting the minimum requirements.

The President has emphasized that "only a capable, efficient, ethical, and development-oriented state can deliver on the commitment to improve the lives of the people of this country. The public sector must be staffed by men and women who are professional, skilled, selfless, and honest."

To address these concerns, the government has approved the National Framework Towards Professionalisation of the Public Sector, which aims to build a state that better serves citizens, is insulated from undue political interference, and ensures that appointments are based on merit. The framework introduces critical interventions to establish a culture of capability, professionalism, ethics, and developmental orientation in the public sector. It further commits to merit-based recruitment and selection, encouraging a reconsideration of cadre deployment practices based solely on merit.

7 BUDGET ALLOCATION

7.1 Budget Analysis

The Department of Public Service and administration's overall budget allocation for 2026/27 is R596.8 million, compared to the allocation of R565.6 million in 2025/26. This represents an increase of 10.92 per cent in nominal terms. However, in real terms the total budget for the Department increased by 5.94 per cent between 2025/26 and 2026/27 financial year. The main

cost drivers of the Department's budget are Programme 1 (307.0 million), which is justified due to the transversal nature.

This is followed by Programme 5: Government Service Access and Improvement (R120.5 million) due to numerous activities and Programme 3: Negotiations, Labour Relations and Remuneration Management (R95.8 million), which is coordinated annually with a wide variety of stakeholders.

The Department has a budget of R1.8 billion over the MTEF period, of which compensation of employee's accounts for an estimated 54.4 per cent (R966.3 million) for an average of 414 employees per year. Spending on transfer and subsidies accounts for an estimate 10.2 per cent (R188.6 million) of the department's budget over the period ahead, of which R164.9 million is earmarked for the Centre for Public Service Innovation. Expenditure is set to increase at an average annual rate of 3.9 per cent, from R565.6 million in 2025/26 to R635.3 million in 2028/29.

Budget cuts on the compensation of employees have impacted the Department's ability to fill all its vacant posts. As of March 2025, a total of 46 vacancies were at various stages of the recruitment process, ranging from advertisement to shortlisting and interviews. It was anticipated that these positions would be filled before the end of the 2025 financial year, subject to budget confirmation and the suitability of candidates. The Department has had to prioritise posts that can be filled within the reduced budgets which has the potential to negatively impact its ability to implement its strategic objectives and related targets. The Department implements its mandate through the five (5) programmes headed by Deputy Directors-General. Two posts of Deputy Directors-General (DDG) are vacant.

As of October 2025, Senior Management Services within the department has a vacancy rate of 16.6 per cent as thirteen (13) out of seventy-eight (78) posts are vacant. The general vacancy rate was at 12.30 per cent which is higher according to the National benchmark of 10 per cent. However, the Department has filled some of the positions, hence there are currently 414 filled posts by March 2026 as compared to 377 in October 2025.

The representativity of females at Senior Management Service level (Levels 13 - 16) continue to be above 50 per cent. The Department has surpassed the national target of employing people with disabilities with 2.3 per cent.

Table 1: Main Appropriation 2026/27

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
R million	2024/25	2025/26	2026/27	2027/28	2025/26-2026/27		2025/26-2026/27	
Programme 1: Administration	271.7	294.7	307.0	312.7	23.0	9.8	8.47 per cent	3.60 per cent
Programme 2: Human Resource Management and Development	41.4	50.4	55.0	57.3	9.0	6.7	21.74 per cent	16.27 per cent
Programme 3: Negotiations, Labour Relations and Remuneration Management	79.9	89.8	90.8	95.8	9.9	5.9	12.39 per cent	7.35 per cent
Programme 4: e-Government Services and Information Management	18.8	23.8	28.6	29.8	5.0	3.9	26.60 per cent	20.91 per cent
Programme 5: Government Service Access and Improvement	98.1	106.9	115.4	119.3	8.8	4.0	8.97 per cent	4.08 per cent
TOTAL	509.9	565.6	596.8	616.1	55.7	30.3	10.92 per cent	5.94 per cent

Source: National Treasury (2026)

7.2 PROGRAMME PERFORMANCE

7.2.1 Programme 1: Administration

The main purpose of the Programme is to provide strategic leadership, management and support services to the Department, and coordinate the Department's international relations. The purpose of the Programme is to provide policy, coordinated strategic and overall administrative support services to enable the Ministry and the Department to deliver on mandates.

The budget for Programme 1 increased from R307.0 million in 2026/27 to R294.7 million in 2025/26. This represents an upward revision of R12.3 million in nominal terms. The

Programme consumes 51% of the total departmental budget. The main cost drivers under this programme are the Corporate Services (at R123.2 million); Office Accommodation (at R71.8 million); and Ministry (at R35.5 million) sub-programmes. Prioritisation of the Budget in this manner is justified, as the Corporate Services sub-programme also includes the Centre for Public Service Innovation's activities.

The allocation to compensation of employees contributes to 46 per cent of the total allocated budget and includes the office of the Minister and Deputy Minister. The department budget allocation pays for office accommodation and municipal services which make up 49 per cent of the Goods and Services budget for this programme. Computer services of which the majority is related to SITA services and software licences which is budget for R33 million per year.

The budget under the programme will ensure that the Department compile a consolidated annual report on interventions implemented for empowerment and development of women, youth and persons with disabilities. The Department will also monitor appointment of women into SMS positions against affirmative action of 60%. Further, monitor the appointment of people with disabilities in the department against the government's target of 3%. The Department will monitor the appointment of Youth (ages 18-35 years) in the departments against the government target of 30%.

7.2.2 Programme 2: Human Resource Management and Development

The main purpose of this Programme is to manage and oversee the setting and translation of public administration norms and standards into administrative policy instruments using research and policy analysis techniques. It is also responsible for managing organisational functionality assessments of Public Service efficiency and effectiveness for public administration reform.

The budget allocation for Programme 2 increased from R50.4 million in 2025/26 to R55.0 million in 2026/27. This represent upward increase amounting to R5.0 million in nominal terms. This programme consumes the second smallest portion (9 per cent) of the overall budget. The bulk of the Programme's budget (R16.4 million) goes to the Human Resource Planning, Employment and Performance Management sub-programme, Office of Standard and Compliance (R13.5 million) and Human Resource Development (R13.2 million). The Budget allocation to this Programme is sufficient to carry out the activities planned.

Compensation of employees are the major cost driver under Programme 2 which contributes to 86 per cent of the total budget allocation. The majority of the operational budget allocation is in the Office of Standards (R3.1 million) and it relates to the development of an Early Warning System. The travel costs are provided at R1.3 million, R1.4 million and R1.4 million respectively over the medium terms.

The budget allocation under the programme will achieve the following planned targets. The Department will monitor appointments of public service Director's-General/Heads of Department (HOD's) that meet legislated qualifications and experience and further advise Cabinet where such requirements are not being met. Moreover, the Department will monitor the trends in the tenure of serving Accounting Officers at both national and provincial departments.

The Department will monitor the implementation of the National Framework towards the Professionalisation of the Public Sector as guided by 2024 Volume 1 Directive submitted to the Director-General by 31 March 2026. The Department to monitor 80 per cent of the appointments of public service Director's General (DGs) and Heads of Department to ensure all processes meet the legislated qualifications and experience. Among the monitoring of the appointments of senior management services, the Department to monitor trends in the tenure of serving accounting officers in the public service.

Monitoring of the National Framework will ensure that the departments implement the prescribed interventions indicated in the framework and related directives issued by the Minister. The Department will further monitor the implementation by departments on the indicators in the 2024 Volume 1 directives towards the professionalisation of public service.

7.2.2 Programme 3: Negotiations, Labour Relations and Remuneration Management

The main purpose of the Programme is to manage, oversee and facilitate organisational development, job grading, macro-organisation, remuneration, human resource information systems, conditions of service, labour relations and dispute management in the public service. It also administers the implementation of the Government Employees Housing Scheme and the macro-organisation of the State and ensures coordinated collective bargaining.

Programme 3 is allocated a budget to the value of R90.8 million in 2026/27, which increased from a previous allocation of R89.8 million in 2025/26. This is an increase by R1 million. Programme 3 accounts for 15 per cent of the total budget Vote in 2026/27. Compensation of Employees contributes to just over 73 per cent of the allocated budget for the programme. The Programme's budget is the fourth largest allocation, as it caters for Management: Negotiations, Labour Relations and Remuneration Management; Negotiations, Labour Relations and Dispute Management; Remuneration, Employment Conditions and Human Resource Systems; and Government Employees Housing Scheme, Project Management Office.

The Department intends to undertake collective bargaining processes on other conditions of service to ensure that the conditions of service for public service employees create an enabling environment that supports productivity which will result in the desirable standards of service delivery to the citizens. Critical importance is that the Department to undertake research on the state's organisational capacity in relation to service delivery since 1994 to 2024.

Under this programme, the Department to monitor implementation of the recommendations of the Personnel Expenditure Review (PER) by sectoral departments to ensure that the personnel expenditure of the Public Service is properly managed and sustainable. The Department to monitor progress made by national and provincial departments relating to the disciplinary cases backlogs, in reducing their disciplinary cases backlogs.

The Department to monitor utilisation of the Central Register for verification of disciplinary processes against public servants by national and provincial departments in reducing their disciplinary cases backlogs. Under this programme, the Department envisage monitoring the compliance of national and provincial departments in conducting lifestyle audits (reviews and investigations) and consequence management applied for all public service designated groups.

7.2.4 Programme 4: e-Government Services and Information Management

The main purpose of the Programme 4 is to manage, oversee and facilitate ICT governance, e-enablement, ICT infrastructure, information and knowledge management, and innovation in the public service and coordinate and facilitate ICT stakeholder management. Information and Communication Technology (ICT) is playing an ever-increasing role as a strategic enabler of public service delivery.

This programme receives the smallest share of the total Vote in 2026/27, at R28.6 million or 5 per cent. It also experiences significant increase in nominal (12.3 per cent) and real terms (7.35 per cent), down from R23.8 million in 2025/26. Programme's budget is the smallest allocation, as it caters for the following subprogrammes which are E-Enablement and ICT Service Infrastructure Management, Information and Stakeholder Management, ICT Governance and Management and Knowledge Management and Innovation. The strategic focus of the programme is "Ensuring a stabilised Public Service". Compensation of employees contributes to just over 88 per cent of the allocated budget.

The programme planned to achieve the following under the Programme 4. The Department to issue a Directive on Public Service Data Architecture Framework to the national and provincial departments to prescribe how the data of departments must be governed to protect it against unauthorised access by third parties. Further develop the Public Service Cybersecurity awareness strategy.

7.2.5 Programme 5: Government Services Access and Improvement

The main purpose of the Programme 5 is to manages and facilitates the improvement of service delivery in Government. As indicated in Table 1, the budget allocation for Programme 5 increased from R115.4 million in 2025/26 to R120.5 million in 2026/27, representing a nominal increase of R5.10 million. In real terms, the budget allocation to the programme increased by 3.9 per cent between 2025/26 and 2026/27.

Programme 5 includes the budget allocation for the Centre of Public Service Innovation (CPSI) that are transferred on a monthly basis in line with their cash flow projections. Compensation of employees contribute to 73 per cent of the allocated budget excluding CPSI. The programme planned to achieve the following targets. The Department to develop the Productivity Measurement Directive. Furthermore, to monitor the implementation of the 2022 Batho Pele Revitalisation Strategy by national and provincial departments.

Under this programme, the Department to utilise budget for monitoring the implementation of the Complaints and Compliments Management Framework by national and provincial departments through the Batho Pele Forum. Bi-annually assess the status of implementation of the African Peer Review Mechanisms national action plan of identified departments.

8 ENTITY OF THE DPSA

8.1 CENTRE FOR PUBLIC SERVICE INNOVATION

8.1.1 Policy Priorities

The responsibility for the public sector innovation is vested in the Minister of Public Service and Administration, in terms of Section 3(1)(i) of the Public Service Act, 1994. The CPSI is established in terms of Section 7(a) listed in Schedule 3A of the Public Service Act, 1994, as amended and is an organ of state. The Act mandates the Centre for Public Service Innovation (CPSI) to unlock, entrench and nurture the culture of innovation within the public sector for improved performance and productivity. Therefore, the Act positions the CPSI to guide the process of unearthing and exploiting innovative, more efficient and effective solutions needed to ensure successful delivery on government priorities. The CPSI was in its formation established as a Section 21 Company. The strategic mandate that informs the functions of the CPSI include the following:

- Advancing needs-driven research and development,
- Unearthing, demonstrating, sharing, encouraging and rewarding innovation,
- Testing, piloting, and incubating new innovations and supporting the replication of innovative solutions; and
- Partnering with public, private, academic, and civil society sectors on supporting the mandate of the CPSI.

The functions of the CPSI are to:

- Provide the Minister with independent, diverse and forward-looking research findings and advice on innovative service delivery with a specific focus of government priorities
- Enhance public service transformation and reform through innovation partnership and projects

Support the creation of an enabling environment for innovation within the structures and agencies of the South African Government (encouraging, learning and rewarding).

8.1.2 Budget Allocation

For the 2026/27 financial year, the CPSI has been allocated R51.2 million, up from an adjusted appropriation of R41.7 million in 2025/26. Across the board, there's a decline from 2024/25 to 2025/26, followed by a recovery and growth in later years (2026/27 and 2027/28). However, when adjusted for inflation (real change), the short-term cuts are more severe than they look in nominal terms.

Programme 1: Administration has a meaningful reduction in capacity due to inflation. Administration growth in 2026/27 and 2027/28 has been increased significantly as compared the previous financial years. Programme 2: Public Sector Innovation which is the core of the CPSI received slight increase budget allocation in 2026/27 financial year. However financial growth is much lower than Administration Programme. Lower increase of the budget might impact the innovation projects the Centre might envisaged to rollout. The budget prioritises administrative stability over innovation especially during period of fiscal tightening.

Compensation of Employees accounts for approximately 66.3 per cent of the Centre's total projected expenditure over the MTEF period, with this cost component expected to increase in future financial years. The allocation would assist the Centre to ensures of the retention of highly skilled personnel who are responsible for managing and implementing innovations initiatives. Skilled and competent personnel are central to the success of the Centre's in order to continue with research, managing projects and supporting stakeholder partnership.

Table 2: Budget allocation to the Centre

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
R million	2024/25	2025/26	2026/27	2027/28	2025/26-2026/27		2025/26-2026/27	
Administration	20.5	20.3	27.1	28.2	- 0.2	- 1.1	-0.98 per cent	-5.42 per cent
Public Sector Innovation	23.7	21.4	24.1	24.3	- 2.3	- 3.3	-9.70 per cent	-13.76 per cent
TOTAL	44.2	41.7	51.2	52.5	- 2.5	- 4.4	-5.66 per cent	-9.89 per cent

Source: National Treasury (2026)

8.1.3 PROGRAMMES

(a) Programme 1: Administration

The Programme provides strategic leadership, overall management of and support to the organisation. There are three sub-programmes under programme 1, which are Strategic Management, Corporate Resource Management and Office of the Chief Financial Officer.

The allocation to this programme is R27.1 million, which constitutes 53 per cent of the overall budget. The allocation assists the Centre to execute its mandate effectively.

The Programme's strategic focus area for 2026/27 is: Effective corporate governance, with the following targets are to achieve an unqualified audit opinion on financial and non-financial information for the 2026/27 financial year. An assessment of critical posts has been done. The organisation requires additional capacity to carry out its mandate fully, as per the approved new structure. The current establishment of the CPSI consists of 39 permanent posts. The Centre will ensure 100% payment of all invoices paid within 30 days on receipt of valid invoice.

(b) Programme 2: Public Sector Innovation

The Programme drives service delivery innovation in the public sector in line with Government priorities. There are three sub-programmes under Programme 2, which are Research and Development, Solution Support and Incubation, and Enabling Environment.

This programme receives an allocation to the value of R24.1 million, which is 47 per cent of the overall budget. The programme has three sub-programmes, namely: Research and Development: This sub-programme establishes the knowledge base in support of the programme to inform the selection and development of potential innovative models and solutions; Institutional Support and Replication: This sub-programme facilitates the testing, piloting, demonstration, replication and mainstreaming of innovative solutions for the public sector; and Enabling Environment and Stakeholder Management: This sub-programme nurtures and sustains an enabling environment, which entrenches a culture and practice of innovation in the public sector through innovative platforms and products.

The budget under this programme will be utilised, among to conduct innovation research and development initiatives undertaken and youth digital skills development initiatives supported. The Centre to undertake two research, development and digital skills; and youth digital skills

development initiatives. Moreover, ensures innovative solutions are replicated in the public sector and knowledge platforms sustained to nurture on enabling environment for innovation in the public sector. The budget under the programme will ensure that institutions are supported on innovation

9 OBSERVATIONS AND KEY FINDINGS

The Portfolio Committee identified the following matters in relation to the Budget Vote 11, to which the Department must respond accordingly:

Department of Public Service and Administration

- 9.1 The Committee notes reviewed Departmental Strategic Plan (2025-29) and Annual Performance Plans (2026/27) of the Department of Public Service and Administration and the Centre for Public Service Innovation. The APPs reaffirm the Department's mandate to implement and coordinate interventions aimed at achieving professional, ethical and development oriented public service, capable to deliver on the objectives of the Medium-Term Development Plan of the National Development Plan (NDP) 2030 and with the Centre facilitating and replicating innovations to improve service delivery.
- 9.2 The Committee welcome the signing of the Public Service Amendment Bill and Public Administration Management Amendment Bill into laws, which are expected to introduce reforms such as devolution of human resource management functions from Executive Authorities to the Accounting Officers. The Committee for speedy proclamations of the Acts.
- 9.3 The Department has to fast track the reviewing of the public service regulations to be aligned with the Public Service Act and Public Administration Management Act (as amended).
- 9.4 The Committee further welcome commitment of the Department in monitoring all national and provincial departments, including public entities, in the implementation of the National Framework Towards Professionalisation of the Public Sector.

- 9.5 The Committee welcomes and notes the assessment conducted by the Department in adhering to the Professionalisation Framework in the appointment processes of Accounting Officers on merits based on qualifications, skills and experience.
- 9.6 Following the issuance of Volume 1 of the directive on the implementation of the Professionalisation Framework, the Department is urged to move swiftly to issue further directives aligned with the amended legislation and the Framework. This will assist in closing existing loopholes that may be exploited for opportunistic purpose.
- 9.7 Incapacity leave in the public service negatively impacts the fiscus in both direct and indirect ways. Departments often end up appointing officials in an acting capacity while continuing to pay the salaries of officials on incapacity leave. The Committee notes instances of abuse and misuse of this leave and requests the Department to urgently review the policy in consultation with organised labour.
- 9.8 Since the President's 2019 announcement on lifestyle audits, progress has been made in departments undertaking such audits. The amendment of the Public Service Regulations in October 2023 has made lifestyle audits mandatory. The Committee notes that the Department will be entering into Memoranda of Understanding with the Special Investigating Unit and the State Security Agency (for vetting purposes) as part of the lifestyle audit process, as an additional measure to strengthen the system.
- 9.9 The Department fast track interventions to assist the North West Provincial Government in conducting effective lifestyle audit aimed at rooting out corruption in the province. The utilisation of Ethics Officers to conduct lifestyle audits seems to be biased and subjective, as it renders the entire process a compliance exercise.
- 9.10 The Committee welcomes the development relating to the developing of the regulations to compel departments on the utilisation of the Central Register for verifying disciplinary processes against public servants to ensure that those officials who have been found guilty of misconduct and have been barred from re-entering the public sector.
- 9.11 The Committee notes that the Central Register will assist the Department in monitoring adherence to disciplinary case management processes. The Department further indicated

that, once officials are appointed to deal with disciplinary cases, departments will be compelled to ensure that such officials are no longer assigned additional responsibilities and that disciplinary matters are prioritised and finalised expeditiously. A chairperson of a disciplinary committee may also be charged if found to have delayed a case through unnecessary postponements.

- 9.12 The Department continues to issue and monitor implementation of norms and standards. The development of Cybersecurity awareness strategy and the revised Government-Wide Enterprise Architecture Framework which will reflect the Digital Public Infrastructure as per the Roadmap for Digital Transformation of public services.
- 9.13 The Committee notes the amendment to the Strategic Plan, where targets relating to temporary capacity leave were replaced with ICT norms and standards to guide the issuance of directives on ICT security.
- 9.14 The Department was cautioned about its budget on the compensation of employees which goes beyond 70 per cent in three identified programmes (2,3&4).
- 9.15 The Department continue monitoring appointments and learnerships programme for the youth including people with disabilities in the public sector.

Centre for Public Service Innovation

- 9.16 The Committee notes the CPSI's capacity constraints and insufficient budget, which hinder its ability to effectively drive innovation projects across the public service. The CPSI must be capacitated to fulfil its role, particularly given its shared services model.
- 9.17 The Minister of the Department of Public Service and Administration should fast-track the job evaluation process and the readvertisement of the Chief Executive Officer vacancy for the Centre for Public Service Innovation. This process must be expedited, as the position has been vacant since October 2018.
- 9.18 The CPSI has to be reinforced with adequate technical and digital capabilities to guide public service transformation. Its work has to be closely coordinated with relevant stakeholders such as the Department of Science and Technology, the Department of

Communications and Digital Technologies and the State Information Technology Agency.

- 9.19 The CPSI has to strengthen its monitoring and evaluation mechanisms. Innovation projects have to be tracked over a defined period to assess their impact on service delivery.
- 9.20 The Committee has to ensure that CPSI does not only initiate innovative projects but also follows through to evaluate sustainability and long-term outcomes

10 RECOMMENDATIONS

The Portfolio Committee recommends that the Department of Public Service and Administration undertake the following activities:

- 10.1 The Department should expedite the finalisation of the process of promulgating supporting regulations and review all legal instruments to ensure alignment with the enacted legislation.
- 10.2 The Department should fast track reviewing of incapacity leave due to the abuse in consultation with organised labour, as this leave contributes to significant costs incurred by the fiscus. The Department working with experts as well as Government Employees Medical Scheme should develop measure to prevent abuse of the leave and medical aid.
- 10.3 Priorities the filling of critical vacancies, particularly at the senior management level. The Department should develop a funded vacancy reduction and succession planning strategy to address persistent senior management vacancies and instability in leadership position.
- 10.4 The Department should expedite the finalisation and implementation of Memoranda of Understanding with the Special Investigating Unit and the State Security Agency for vetting purposes as part of the lifestyle audit process. This should be prioritised as a key institutional mechanism to strengthen integrity management systems, enhance compliance with the Public Service Regulations, and ensure effective detection and prevention of unethical conduct within the public service.

- 10.5 The Department should fast-track interventions to assist the North West Provincial Government in conducting effective lifestyle audits aimed at rooting out corruption in the province. The utilisation of Ethics Officers to conduct lifestyle audits seems to be biased and subjective, as it renders the entire process a compliance exercise
- 10.6 Monitor the appointment process and turnover rate of Accounting Officers in the public service.
- 10.7 Continue to empower the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit to monitor and report on lifestyle audit implementation.
- 10.8 The Department should utilize the Central Register to monitor compliance with the 90-day period for the finalisation of disciplinary cases, including delays caused by both the employer and suspended employees.
- 10.9 Continue leading public service digital transformation, shifting from paper-based to digital administration.
- 10.10 The Minister should ensure stability within the Department by fast-tracking the appointment of the Director-General and all funded senior management positions within six months of the adoption by the National Assembly.
- 10.11 The Department should ensure consistent adherence to the Batho Pele Principles by all public servants. The Department, in collaboration with the National School of Government, should continuously provide training, strengthen monitoring processes, and reinforce accountability mechanisms to promote a citizen-centred approach to service delivery, as well as responsiveness and professionalism within the public service.
- 10.12 The Department should intensify efforts to encourage government departments and public entities to promote gender representation within the public service, particularly at senior management level. Currently, female representation in Senior Management Service stands at 4 326 compared to 5 241 for males. Furthermore, representation of

females within the category of persons with disabilities remains lower than that of males with disabilities, which requires targeted interventions to address these disparities.

- 10.13 The Department should strengthen support for whistleblower mechanisms, including confidential reporting system, awareness campaigns and interdepartmental coordination to protect whistleblowers from victimisation.

Centre for Public Service Innovation

- 10.14 Improve stakeholder management to ensure replication and uptake of innovative solutions across government departments and public entities.
- 10.15 Develop national innovation dashboard to track and showcase CPSI projects across all nine provinces, using Offices of the Premier.
- 10.16 The Minister of the Public Service and Administration fast-track appointment of the CPSI Chief Executive Officer.
- 10.17 The CPSI should be reinforced with adequate technical and digital capabilities to guide public service transformation.
- 10.18 The CPSI should strengthen its monitoring and evaluation mechanisms. Innovation projects have to be tracked over a defined period to assess their impact on service delivery.
- 10.19 The Centre for Public Service Innovation should focus on assisting frontline departments in rural areas to improve efficiency, particularly where service delivery is hampered by poor network connectivity.

11 CONCLUSION

The Department of Public Service and Administration and its entities remain central to building a capable, ethical, and developmental state. Professionalising the public sector through reskilling initiatives and the reform of recruitment practices is essential to achieving this objective. The National Development Plan (NDP) emphasises the need to stabilise the political-

administrative interface and position the public service as a career of choice. In this regard, the Committee welcomes the President's assent to the Public Service Amendment Bill and the Public Administration Management Amendment Bill, which are aimed at strengthening governance, accountability, and the professionalisation of the public service.

Strengthening ethics, professionalisation, and accountability remains a key priority for the Department and its entities over the medium term. The Committee acknowledges the progress made by the Department of Public Service and Administration and the Centre for Public Service Innovation in delivering on their respective mandates and calls for continued support, innovation, and accountability in pursuit of efficient, effective, and citizen-centred public administration.

Through the exercise of its oversight and accountability responsibilities, the Committee expects the Department and the Centre for Public Service Innovation to implement the recommendations contained in this Report once adopted by the National Assembly, with the ultimate aim of building a capable, ethical, professional, and development-oriented public service.

The Portfolio Committee recommends as follows:

That the House adopt and approve Budget Vote 11 of the Department of Public Service and Administration

Report to be considered.

5. Report of the Portfolio Committee on Public Service and Administration on the Annual Performance Plan 2026/27 and the Budget Vote 12 of the Public Service Commission, Dated 13 May 2026

1. BACKGROUND

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plan, Annual Performance Plan and Budget allocations of the Public Service Commission tabled by the Commission in terms of the Public Finance Management Act (Act No 1 of 1999), reports as follows:

2. INTRODUCTION

Parliament plays an important role in overseeing the planning and performance of government departments, public entities, as well as Chapter 9 and Chapter 10 institutions. The Public Finance Management Act, Section 27, stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of that financial year.

Subsequently, the Money Bills Amendment Procedure and Related Matters Act, Section 10(1)(c), stipulates that the relevant members of Cabinet must table updated Strategic Plans and Annual Performance Plans for each department, public entity, or institution. These must be referred to the relevant Committee for consideration and reporting.

In considering the Strategic Plan and Annual Performance Plan, the Committee ensured that the plans and budget allocations of the Public Service Commission serve the needs and aspirations of citizens. Budget allocation serves as a key instrument for government to promote socio-economic development. It also plays a critical role as an economic instrument by reflecting the country's socio-economic policy priorities and translating political commitments into expenditure.

The budget further serves as a vital tool to operationalise government activities towards achieving its intended priorities. In addition, it highlights the constraints and trade-offs inherent in policy choices.

On 29th April 2026, the Committee considered a presentation on the Strategic Plan, Annual Performance Plan, and budget allocation of the Public Service Commission. This report summarises the presentation received from the PSC, focusing on the 2025–2029 Strategic Plan, the 2026–2027 Annual Performance Plan, and the budget, including allocations over the Medium-Term Expenditure Framework (MTEF).

3. OVERVIEW OF THE PUBLIC SERVICE COMMISSION

The Public Service Commission (PSC) is an independent institution established in terms of Chapter 10 of the Constitution of the Republic of South Africa. It derives its mandate from Sections 195 and 196 of the Constitution, which set out the values and principles governing public administration that must be promoted by the PSC, as well as its powers and functions.

The PSC is required by the Constitution to exercise its powers and perform its functions without fear, favour, or prejudice. The Constitution firmly links the PSC's independence to its impartiality, and no organ of state may interfere with its functioning.

The PSC is vested with custodial oversight responsibilities over the Public Service and monitors, evaluates, and investigates public administration practices. It also has the authority to issue directions regarding compliance with personnel procedures relating to recruitment, transfers, promotions, and dismissals.

The PSC is accountable to the National Assembly and Provincial Legislatures and must report annually on its activities and performance to these institutions.

4. LEGISLATIVE MANDATE

The PSC is a constitutional oversight body, established in 1996, primarily to promote “a high standard of professional ethics in the public service”. The PSC operates in terms of the PSC Act 1997. The Act provides for the regulation of the PSC with regard to:

- a) The constitution of the PSC.
- b) Appointment of Commissioners.
- c) Designation of the Chairperson and Deputy Chairperson.
- d) Conditions of appointment of Commissioners.
- e) Removal from office of Commissioners.
- f) Functions of the PSC (inspections, inquiries, etc.)
- g) Rules according to which the PSC should operate.

- h) The Office of the PSC (OPSC); and
- i) Transitional arrangements with regard to service commissions (created under the Interim Constitution).

5. STRATEGIC GOALS OF THE PSC

The strategic goals of the PSC for 2025-2029 are as follows:

5.1 Legislative Reforms: Implications of the enactment of the PSC Bill into Law

The PSC anticipates that the PSC Bill, which is one of the priority Bills currently before the 7th Parliament, will be enacted into law during the MTDP 2024-2029. The implications of this are huge on the work of the PSC, as the office of the PSC that supports the Commission, would transition from a part government department to a fully-fledged independent Secretariat. Furthermore, the mandate of the PSC would be extended to include oversight on local government and state-owned entities.

It would require in-depth understanding of this new environment to effectively transverse the public administration issues at municipalities and public entities. The PSC progressively pursues strategic partnerships, including relevant expertise and learning exchanges aimed at increasing commission understanding of the anticipated environment.

Moreover, an impactful performance culture with human resource of a high calibre becomes more than necessary. The Commission should be able to produce credible oversight recommendations that would stand by the courts they be challenged. Expecting the eventuality of the Bill becoming the law, the PSC commenced preparations by conducting a skills audit and initiating a redesign of the functional and organisational structure. These processes will continue into the MTDP 2025-2030 period, with the recommendations of the skills audit and the structure redesign incrementally implemented.

5.2 Adhering to constitutional values and principles

The Commission will aim to evaluate the performance of government departments in relation to constitutional values and principles. Evaluating the performance is expected to help improve service delivery and foster a culture of excellence in the public service. Accordingly, the commission plans to hold 30 promotional engagements on constitutional values and principles in each year over the medium term.

5.3 Oversight monitoring on the implementation of the Framework for the Professionalisation of the Public Sector

The PSC will, during the MTDP 2024-2029, play a strategic oversight role by assessing progress with the implementation of the Professionalisation Framework. This will entail, in conjunction with other relevant oversight structures, conducting strategic engagements, research, monitoring and reporting on the progress made by various players.

The professionalisation of the public sector has been identified as an area of focus that, if well implemented, can yield positive results for the country at large. Therefore, the PSC has identified a dedicated team of specialists from within the PSC supported by Commissioners to implement crucial initiatives that will benefit the nation and make maximum impact. The PSC as a key governance state organ must be able to address issues of governance such as many employment irregularities and challenges of long suspensions.

5.4 Service delivery monitoring and citizens

Government performance is confronted with serious difficulties including lack of required skills to carry out government work, budget cuts, unforeseen disasters and the scourge of corruption. Poor service delivery has often resulted in destructive protests. The latter can be avoided if various public sector institutions coordinated their plans and programmes properly and engaged with affected communities in an open and constructive manner.

5.5 Modernisation of the PSC

The advancement in technology and current economic challenges facing the country, will necessitate a different way of doing things, just like Covid 19 pandemic resulted in a new normal. The PSC will have to strengthen its own Information Technology systems. Digitising commission way of operating and creating a paperless environment is the future. The PSC must also find ways of addressing the persistent challenge of successfully holding virtual meetings without interruption. This will improve operational efficiencies but will also make accessibility easier for public servants and the general public.

5.6 PSC Governance Structures

The PSC has established four Plenary Committees in support of the four strategic outcomes of the Commission. Each Plenary Commission is chaired by a Commissioner and provides

oversight over the work of each of the programmes of the PSC. All the Plenary Committees makes recommendations to the Plenary which is the highest decision-making body of the Commission and comprises of the full Commission. A noteworthy development is the establishment of the Institutional Development and Governance Committee which is mandated to oversee institutional and governance matters. This is an important step towards ensuring that the existing internal controls are strengthened in order to ensure that the PSC continues to be custodian of good governance.

5.7 Rooting out corruption and promoting ethics in the public service

Over the period ahead, the commission will continue to conduct investigations into complaints received through the national anti-corruption hotline, or through emails, formal writing or its own accord. These complaints typically relate to, among other things, appointment and procurement irregularities, corruption and public service officials' conduct. The investigations aim to identify shortcomings or wrongdoing and provide redress to citizens through the effective and efficient delivery of public services. The Commission will, therefore, continue to manage the national anti-corruption hotline and conduct research and advocacy work to promote ethics in the public service.

5.8 Provincial Operations

The PSC continues on its strategic repositioning to effectively deliver on the constitutional mandate. One of the key activities in this regard was the establishment of Programme 05: Provincial Coordination. The role of this programme is to run with the implementation of the PSC mandate across the nine provinces of the country. The uniqueness of this programme is defined by the provincial-specific challenges that provinces are expected address. The introduction of the programme ensures that adequate resources are allocated to provinces as they are key to improving accessibility of the PSC services to local communities

6. PSC POLICY PRIORTIES 2026/27

The following are Annual Performance Plan priorities for the Commission:

- Effective and efficient public service and administration;
- PSC strategic outcomes 2025-2029;
- Ensuring stability continuity during 7th Administration;
- Public Service Reforms: Professionalisation and Anti-Corruption;
- PSC Bill: strengthen oversight and expand mandate;
- PSC influence through guidelines and strategic engagements on various public service and admin practices;

- Strengthen Networks and partnerships;
- Efficient and effective handling of complaints and grievances;
- Improved public service performance monitoring. Constitutional Values and Principles promotion; and
- Adequate Resourcing: Financial & Human Resources.

7. KEY STRATEGIC PRIORITIES 2026/27

The key strategic priorities of the Vote were set for 2026/27 are explored below:

7.1 Monitoring the implementation of the Framework for the Professionalisation of the Public Sector

The strategic and oversight role of the PSC over the next MTEF in contributing towards a developmental and meritocratic state, will be to monitor the execution of the National Framework Towards the Professionalisation of the Public Sector (Professionalisation Framework), which is one of the game changers in the Public Sector. The PSC will report the envisaged results of the framework to the nation through Parliament and other relevant oversight structures. Government performance has been facing serious challenges due to a number of issues, such as a lack of required skills to carry out government work, budgets cuts, unforeseen disasters and the scourge of corruption. Poor service delivery has often resulted in destructive protests. A highly professionalised public sector will result in skilful, ethical and corrupt free South Africans who execute the government mandate to address the needs of society.

7.2 Strengthening the oversight role of constitutional institutions

Oversight institutions will have to ensure that institution building and culture of performance with high calibre of skilful employees remain a priority. The calibre of employees at PSC should be able to produce credible oversight recommendations that even when challenged in a court of law, the PSC will stand the scrutiny by the court. The current economic situation will require South African government to do things differently. Therefore, collaboration amongst the oversight bodies will go a long way in addressing the existing budgetary and disjointed service delivery challenges facing country.

7.3 Responsible use of budget in lieu of budget cuts and desired economic growth

The PSC Bill that has been submitted to Parliament is intended to position the OPSC as a professional, independent secretariat of the PSC that will extend its operations to reach both

local government and public entities. The passing of the PSC Bill into law will require additional funding for PSC to implement its new act. Under the current economic difficulties, where the National Treasury was left with no option but to cut government spending to save the economy from collapsing, the PSC will have to ensure that there is value derived from utilising the scarce financial resources. The current public sector reforms such as the Framework for the Professionalisation of the Public Sector is a positive contribution towards dealing with some of the systemic challenges.

7.4 Adapting to culture change

There is a need to ensure that the PSC is compatible with the current PSC legislative changes and public sector reforms. The PSC seeks to clear what is no longer compatible such as a toxic culture and bring into its culture the new ethos of public service. The positive response to the volatility; uncertainty; complexity and ambiguity (VUCA) moment, should be such that the volatility moment is guided by a clear vision, uncertainty is guided by clear understanding, complexity is guided by clarity and ambiguity is guided by agility.

7.5 Strengthening the capability of the State through public sector reforms

For the PSC to prepare itself for a meaningful contribution for the implementation of the National Development Plan (NDP), the PSC took a decision to reposition itself during the 2021 Strategic Planning Session. The need to have a capable, ethical and developmental state has been the correct observation by government as expressed in the NDP. Therefore, the PSC observed that even if there were to be enough resources, without having capabilities, government would not deliver on the objectives.

The current Public Sector Reforms must be seen as a way that seek to ensure that priority number one: a Capable, Ethical and Developmental State is achieved. In addition, the stakeholder collaboration with the National School of Government and the Auditor General of South Africa including other key stakeholders is a key factor in demonstrating that the reforms aimed at creating a Capable, Ethical and Developmental State will not be achieved without a collaborative effort.

7.6 Ensuring improved visibility and meeting the demands for service

The observation from many external stakeholders, as well as the results of customer surveys point to a PSC that is understood better by clients, and this will result in high demand for services offered by the PSC. In addition, the PSC has robustly engaged executive authorities on areas that warrants attention of the State such as Government Immovable Property and the Information Communication Technology. The contribution of the PSC in these areas is acknowledged by our stakeholders. The PSC is ready for more requests for assistance as it is continuing to improve its profile. The challenges of budget cuts should not be seen as impediments, but rather a challenge that pushes the PSC to innovate on how to continue delivering on its mandate.

7.7 Improving the PSC Governance Structures

The PSC has now established four Plenary Committees in support of the four strategic outcomes of the Commission. Each Plenary Committee is chaired by a Commissioner and provides oversight over the work of each of the programmes of the PSC. All the Plenary Committees make recommendations to the Plenary, which is the highest decision-making body of the Commission and comprises of the full Commission. A noteworthy development is the establishment of the Institutional Development and Governance Committee, which is mandated to oversee institutional and governance matters. This is an important step towards ensuring that there existing internal controls are strengthened in order to ensure that the PSC continues to be a custodian of good governance.

7.8 Modernisation of the PSC

The advancement in technology and current economic challenges facing the country necessitate a different way of doing things, just like COVID-19 pandemic resulted in a new normal. The PSC will have to strengthen its own Information Technology systems. Digitising the way of operating and creating a paperless environment is the future. The PSC must also find ways of addressing the persistence challenge of successfully holding virtual meetings without interruption. This will not only improve operational efficiencies but will also make accessibility easier for public servants and the general public. So far, the ICT team has been able to develop PSC's own Case Management System, which is currently being rolled out so as to migrate the manual way of handling complaints and grievances into an automated system.

8. BUDGET ALLOCATION

8.1 Budget Analysis 2026/27

The Public Service Commission's overall budget allocation for 2026/27 is R353.9 million as compared to R317.8 million in 2025/26. This represents an increase of 10.16 per cent in nominal terms. However, in real terms the total budget for the Commission growth increased by 5.21 per cent between 2025/26 and 2026/27 financial years. The budget is increasing in real terms, but half of the growth will be impacted by inflation.

The budget of the Commission is divided into five programmes, namely Administration; Leadership and Management Practices; Monitoring and Evaluation; Integrity and Anti-Corruption and Provincial Coordination. The main cost drivers of the Commission are Programme 1: Administration (R191.2m) which carries the bulk of the budget due to the allocation of all 14 Commissioners. and Programme 5: Provincial Coordination (R72.2m). Programme 1 experiences an increase in nominal and real terms, whilst the to the Programme 5 experiences a nominal increase of 12.79 per cent when considering the impact of inflation.

Table 1: Overall budget allocation for 2026/27 financial year

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
R million	2024/25	2025/26	2026/27	2027/28	2025/26-2026/27		2025/26-2026/27	
Programme 1: Administration	137.2	155.8	191.2	197.9	18.6	11.6	13.56 per cent	8.46 per cent
Programme 2: Leadership and Management Practices	28.3	30.2	29.0	30.3	1.9	0.5	6.71 per cent	1.92 per cent
Programme 3: Monitoring and Evaluation	23.3	24.2	22.7	23.7	0.9	- 0.2	3.86 per cent	-0.80 per cent
Programme 4: Integrity and Anti-Corruption	34.0	33.5	38.8	40.6	- 0.5	- 2.0	-1.47 per cent	-5.89 per cent
Programme 5: Provincial Coordination	65.7	74.1	72.2	75.4	8.4	5.1	12.79 per cent	7.72 per cent
TOTAL	288,5	317,8	353,9	367,9	29,3	15,0	10,16 per cent	5,21 per cent

Source: National Treasury (2026)

8.2 PROGRAMME PERFORMANCE

The PSC has five programmes whose budget and activities are as follows:

8.1.1 Programme 1: Administration

The purpose of this Programme is to provide overall management of the PSC and centralised support services. The budget for Programme 1 has significantly increased from R155.8 million in 2025/26 to R197.9 million in 2026/27. This represents a 8.46 per cent increase in real terms in the budget allocation between 2024/25 and 2026/27. The programme is one of the three major cost drivers under this Vote, consuming 54 per cent of the overall allocation. It is also experiencing a real percentage increase. The main cost drivers under this programme are the Public Service Commission (R64.2m), Chief Financial Officer (R45.3m), Property Management (R33.7m) and Corporate Services (R30.3m)

The programme carries the bulk of the budget due to allocation for all 14 Commissioners. These sub-programmes, which are related to the actual management of the Commission, then to the core mandate, warrant this allocation as they compose the function of Programme 1: Administration. Furthermore, the PSC has centralised its support function and, as a result, the budget for Administration is high, as it includes the budget for centralised support services, e.g. accommodation costs, State Information Technology Agency (SITA) services, training, internal audit, operation lease payments, Auditor-General's fees, etc.

The PSC intends to receive unqualified audit opinion in 2026/27 financial year. The Commission intends maintaining vacancy rate within the 10% threshold. In this financial year, the Commission will review strategic plan in line with the new Act. Furthermore, report on the state of readiness towards the implementation of the new Act which includes expanded mandate to the local government and State-Owned Enterprises.

8.1.2 Programme 2: Leadership and Management Practices

The Leadership and Management Practices (Programme 2) is responsible for promoting sound Public Service leadership, human resource management, labour relations and labour practices. The Programme has two sub-programmes, namely: Labour Relations Improvement, and Leadership and Human Resource Reviews.

The budget allocation for Programme 2 slightly decreased from R30.2 million in 2025/26 to R29.0 million in 2026/27 financial year. In real terms the budget allocation to Programme 2 increased by 6.71 per cent between 2025/26 and 2026/27, as much as it nominally increased by 1.92 per cent. This programme consumes the fourth largest portion (8 per cent) of the overall

budget. The bulk of the Programme's budget (R15.7 million) is allocated to the Labour Relations Improvement sub-programme, which promotes labour relations and practices through the timeous investigation of properly referred grievances and the provision of best practices in the public service.

The budget will be utilised to achieve the following objectives. The Commission intends to conclude percentage of levels 2-12 grievances within 150 working days upon receipt of case by the investigator. The Commission will under the programme conclude percentage of SMS grievances within 150 working days upon receipt of the case by the investigator. The flagship projects focus on improving efficiency in the management of grievances at departmental level. The objective of the flagship project is to develop Investigation Guides/Manual for dealing with different types of grievances to assist investigators in departments to fast-track their investigations and provide timeous outcomes to aggrieved employees. Further produce reports on grievances management and efficiency to the grievance procedure in the public service

In this financial year, the Commission to produce number of reports on own engagements for improved labour relations in terms of section 196(4)(f). The Commission to produce reports guides on leadership and human resource management practices.

8.1.3 Programme 3: Monitoring and Evaluation

The main purpose of the Programme is to improve the functionality of the Public Service through institutional and service delivery evaluation. Programme 3 accounts for 6 per cent (R22.7 million) of the Commission's total budget vote in 2026/27 financial year. Between 2025/26 and 2026/27, the budget allocation to Programme 3 decreased by -0.80 per cent in real terms, and by 3.86 per cent in nominal terms. The main cost drivers of the Programme are Service Delivery and Compliance Evaluations, at R10.0 million and Governance Monitoring, at R10.3 million.

The budget will enable the Commission to deliver on its function of Governance Monitoring to coordinate key stakeholders for the implementation of the National Framework for the Professionalisation of the Public Service. The PSC will conduct two studies on the effectiveness of government support for service delivery focusing on government accommodation and ICT. The Commission plans to produce one Oversight Monitoring Report on the implementation of the Professionalisation Framework.

The Commission further intends to produce and submit Section 196 (4)(e) of the Constitution reports, focusing on the activities and the performance of the PSC, including the findings, directions and advice the Commission may make or give. The Commission will evaluate the extent to which values and principles set out in section 195 are complied with by various government departments and report. Evaluations on compliance with values and principles set out in section 195 is a requirement, however, the Commission has not as yet developed a compliance monitoring system.

8.1.4 Programme 4: Integrity and Anti-Corruption

The Integrity and Anti-Corruption Programme is responsible for undertaking public administration investigations, promoting a high standard of professional ethical conduct amongst public servants and contributing to the prevention and combating of corruption. The budget allocation for Programme 4 accounts for 11 per cent share or R38.8 million of the total budget vote in 2026/27. In 2026/27, the allocation for Programme 4 slightly increased by -1.47 per cent in nominal terms, but in real terms, it decreased by -5.89 per cent.

The main cost drivers under this programme are Programme Management: Professional Ethics at R23.1 million and Public Administration Investigations at R13.2 million, respectively. The budget will be used to fund activities to improve good ethical conduct in the public service. This may be attributed to the departments putting in place their own complaints mechanisms, including reporting lines and investigative capacities, as required by the Minimum Anti-Corruption Capacities (MACC) established by Cabinet. This shows the effectiveness of the Programme, although the issue of addressing public service employees conducting business with the State is progressing slower than anticipated.

The budget will be utilised in executing some of the flagship projects which as follows; the Commission intends to refer cases of National Anti-Corruption Hotline (NACH) within 7 days of receipt of case report. Furthermore, intends to finalise early resolution complaints within six months upon receipt of a valid complaint by an investigating officer. The Commission will finalise complex complaints within twelve months upon receipt of a valid complaint. The Commission will produce oversight monitoring reports on the implementation of ethics framework. The number of engagements on ethics and constitutional values and principles promotion will also be held during the course of financial year.

8.1.5 Programme 5: Provincial Coordination

The Programme ensures effective coordination of operations for the execution of the PSC mandate at provincial level. In 2026/27, the Programme was allocated R72.1 million in 2026/27, compared to R65.7 million in 2025/26. The programme takes second largest budget of 20 per cent of the overall allocation. This is an increase of R6.4 million, which translates to 12.79 per cent nominal change and 7.72 per cent real change in 2026/27. It has only one-subprogramme, namely, the Provincial Coordination, which oversees the operations of the Public Service Commission at the provincial level.

The budget for the Provincial Coordination Programme will mainly focus on the handling of complaints and grievances, implementing the provincial specific projects to address identified deficiencies, and conducting follow-up citizens forum, service delivery inspections and promoting constitutional values and principles through workshops. In essence, the province will utilise the budget to execute broadly and the mandate of the PSC at their level.

9. OBSERVATIONS AND FINDINGS

The Portfolio Committee identified the following matters in relation to Budget Vote 12:

- 9.1 The Committee notes the Annual Performance Plan for the 2026/27 financial year of the Public Service Commission. The Annual Performance Plan is aligned with the Strategic Plan, which covers most of the functions of the Commission as encapsulated in Section 196 of the Constitution, and is aligned with the Medium-Term Development Plan of the National Development Plan.
- 9.2 The Committee notes that the Public Service Commission Bill is at an advanced stage and is to be concluded by the National Council of Provinces (NCOP), having obtained mandates from all nine provinces. The Committee awaits the outcome of the NCOP legislative processes. The Bill seeks to establish a Secretariat that is independent of government, thereby strengthening the Commission's independence. Once returned to the Committee (if amended), it will be prioritised before the end of the 2026/27 financial year.

- 9.3 The enactment of the PSC Bill will require increased funding under challenging economic conditions, where departments are already experiencing budget cuts. Strengthening the PSC's mandate and independence, as envisioned in the National Development Plan, will require additional resources and capacity. The Committee plans to continue engaging relevant budgetary forums to ensure the Commission's expanded mandate is fully funded.
- 9.4 The Committee commends the National Treasury and all government budgetary forums for increasing the PSC's budget allocation under tight economic conditions.
- 9.5 Inadequate operational budget allocation negatively impacts the PSC's ability to enforce accountability and improve public administration. Programmes such as Monitoring and Evaluation depend heavily on operational budgets to carry out day-to-day functions, including physical site visits. Insufficient operational funding compromises the availability of evidence for sound decision-making, as well as policy review and formulation.
- 9.6 The Committee urges the PSC to rigorously monitor the implementation of the Professionalisation Framework, which is a key pillar for building state capacity to deliver on policy commitments. High state capacity is strongly linked to long-term economic development.
- 9.7 The Commission is encouraged to publish annual reports on executive recruitment outcomes in the public administration to enhance transparency and public trust.
- 9.8 Enhancement of the Financial Disclosure Framework is critically important and should be reviewed periodically to respond to evolving ethical challenges in public administration. The Commission is well positioned to identify systemic risks that weaken the Financial Disclosure Framework, which may otherwise become a mere compliance mechanism while unethical conduct persists without consequence.
- 9.9 The Commission is further encouraged to establish a monitoring system for high-risk officials identified through the Financial Disclosure Framework and to ensure that consequence management is applied.

- 9.10 The Committee is concerned that PSC provincial offices are understaffed, with only 5 to 10 employees per office. These staff members are responsible for overseeing all provincial departments, where service delivery challenges are most acute. This limited staffing is insufficient to conduct effective monitoring, investigation, and evaluation. However, the introduction of Programme 5: Provincial Coordination is expected to address this issue, and the Committee advocates for increased capacity under this programme in terms of both budget and human resources.
- 9.11 The North West Province has appointed a Commissioner, which will enable the PSC to carry out its functions more effectively in that region.

10. RECOMMENDATIONS

The Portfolio Committee recommends that the Public Service Commission undertake the following activities:

- 10.1 Continue engaging the National Treasury on a business case to fund both current Commission operations and the implementation of the PSC Bill once enacted. A significant portion of the Commission's budget is currently spent on Compensation of Employees rather than programme activities.
- 10.2 Ensure adequate budget allocation to the Monitoring and Evaluation Programme. This programme depends heavily on operational budgets to carry out day-to-day functions, including physical site visits. Inadequate operational funding compromises the Commission's visibility and the availability of evidence for sound decision-making, policy review, and formulation.
- 10.3 Strengthen provincial offices by increasing human resource capacity to enable more site visits, inspections, and improved responsiveness to community complaints.
- 10.4 In preparation for the extended mandate of overseeing local government and state-owned enterprises, begin upskilling current staff on local government and SOE governance models. The Commission should collaborate with existing training institutions within these sectors to build internal capacity.

- 10.5 Monitor the implementation of the Professionalisation Framework without fear or favour and submit annual progress reports to Parliament and Provincial Legislatures, as part of efforts to build a capable, ethical, and developmental state.
- 10.6 Develop an independent recruitment database for Senior Management Service positions and publish an annual report listing appointed officials in the public sector, to enhance transparency and accountability to legislatures and the public. The report should form part of conducting oversight into personnel practices in the public sector.
- 10.7 Ensure that the recruitment database assists the Commission in identifying repeated appointments of unqualified candidates, detecting trends of political interference, and exposing departments with high rates of irregular appointments.
- 10.8 Continue to annually update and review the database of technical experts to support high-level selection committees for the appointment of Accounting Officers and Chief Executive Officers.
- 10.9 Collaborate with the Department of Public Service and Administration and the Presidency to amend Public Service Regulations, ensuring that the PSC plays a clear role in the recruitment of senior public officials, including Directors-General, Deputy Directors-General, SOE CEOs, board members, and other key leadership positions.
- 10.10 Continue engaging and collaborating with the Department of Public Service and Administration to review and enhance the Financial Disclosure Framework in order to address existing loopholes. The current framework is not sufficiently effective in addressing unethical conducts.

11. CONCLUSION

The Portfolio Committee's assessment of Budget Vote 12 highlights both progress and persistent structural challenges affecting the effectiveness of the Public Service Commission. While the Commission's strategic and annual performance plans are well aligned with its constitutional mandate and national development priorities, its ability to execute these functions is constrained by limited operational resources and capacity gaps.

The anticipated enactment of the PSC Bill presents a critical opportunity to strengthen the Commission's independence and expand its oversight role. However, this expanded mandate will require adequate and sustained funding, particularly in an environment of fiscal constraints. Without such support, key functions such as monitoring and evaluation, anti-corruption oversight, and provincial coordination may be significantly undermined.

Ultimately, a well-capacitated and independent Public Service Commission is fundamental to building a capable, ethical, and developmental state, as envisaged in South Africa's long-term policy framework. To effectively execute an expanded oversight mandate over state-owned entities and local government, the Public Service Commission must strengthen its legislative framework, build institutional capacity, secure adequate funding, and enhance coordination with key oversight bodies. Without these measures, the expanded mandate risks being ineffective and unsustainable.

The Committee remains concerned about weaknesses in recruitment transparency, the effectiveness of the Financial Disclosure Framework, and limited human resource capacity at provincial level. Addressing these issues is essential to improving accountability, ethical conduct, and overall public sector performance.

The recommendations outlined in this report are aimed at enhancing the Commission's institutional capacity, strengthening oversight mechanisms, and promoting a professional, merit-based public service. The Committee will continue to engage relevant stakeholders, including the National Treasury and other oversight bodies, to ensure that the Commission is adequately resourced to fulfil its mandate.

The Portfolio Committee recommends as follows:

That the House adopt and approve Budget Vote 12 of the Public Service Commission.

Report to be considered

National Council of Provinces

1. REPORT OF THE SELECT COMMITTEE ON APPROPRIATIONS ON THE *SPECIAL APPROPRIATION (2025/26 FINANCIAL YEAR)* BILL [B3 – 2026] [NATIONAL ASSEMBLY (SECTION 77)], DATED 13 MAY 2026

The Select Committee on Appropriations, having considered the *Special Appropriation (2025/26 Financial Year) Bill* [B3 – 2026] (National Assembly – section 77), referred to it in terms of section 12 (15) of the Money Bills and Related Matters Act No. 9 of 2009 (as amended by the Money Bills Amendments Procedure and Related Matters Act, No. 13 of 2018) (the Money Bills Act), reports as follows:

1. Introduction

Section 213(2) of the Constitution of the Republic of South Africa provides that money may be withdrawn from the National Revenue Fund (NRF) only in terms of an appropriation by an Act of Parliament. The *Special Appropriation (2025/26 Financial Year) Bill* [B3 - 2026] was tabled by the Minister of Finance on Wednesday, 25 February 2026 and it was immediately referred to the Committee for information. The Bill was then formally referred to the National Council of Provinces and the Committee, for concurrence, on 21 April 2026, after it was passed by the National Assembly.

2. Public participation and consultation

To facilitate public participation and involvement, and in compliance with section 72 of the Constitution, advertisements in 11 official languages, calling for public comments on the Bill, were placed on Parliament's website and social media accounts from 07 April 2026. In addition, emails were sent directly to all the stakeholders on the Committee's database, inviting them to comment on the Bill. Subsequently, written submissions were received from Breadline Africa; the Congress of South African Trade Unions (COSATU); Youth Capital; Women on Farms Project; Ms Z Nhlapo; Mr T T Lebothe; and Ms R E Smith. Apart from Breadline Africa; Mr T T Lebothe; and Ms R E Smith, all these stakeholders made oral submissions during a public hearing on 28 April 2026. National Treasury provided responses

to issues raised by stakeholders during a meeting on 6 May 2026 and undertook to further respond in writing to follow-up questions from Youth Capital and the Women on Farms Project. The Committee consulted with the Parliamentary Budget Office (PBO) on the contents of the Bill on 18 March 2026 and received a briefing from National Treasury and consulted the Financial and Fiscal Commission (FFC) on 21 April 2026.

3. National Treasury briefing

National Treasury reported that the purpose of the Bill was to appropriate R13.519 billion for expenditure authorised in terms of section 6 of the Appropriation Act; and to appropriate R8.498 billion for expenditure requirements of the State in terms of section 73(2) of the Constitution for expenditure that cannot be reasonably delayed.

The R13.519 billion in Schedule 1 was allocated as follows:

- R2.081 billion to Vote 2 (Parliament of South Africa) for the rebuilding of Parliament.
- R1.116 billion to Vote 5 (Home Affairs) for the preparation for the 2026 local government elections.
- R1.8 billion to Vote 8 (National Treasury) as government's contribution to the capitalisation of the Credit Guarantee Vehicle.
- R189 million to Vote 30 (Communications and Digital Technologies) for dual illumination.
- R8.333 billion to Vote 40 (Transport) for the north coal corridor (R4.937 billion) and the iron-ore corridor (R3.396 billion).

The R8.498 billion in Schedule 2 was allocated as follows:

- R1 billion to Vote 8 (National Treasury) for share subscription in the International Finance Corporation.
- R700 million to Vote 30 (Communications and Digital Technologies) for Sentech operations.
- R6.798 billion to Vote 40 (Transport) for the Passenger Rail Agency of South Africa's (PRASA's) rolling stock fleet renewal programme (R5.778 billion) and the Durban Container Terminal (R1.020 billion).

4. Stakeholder submissions

4.1 Financial and Fiscal Commission (FFC)

The Financial and Fiscal Commission (the Commission) noted that the bulk of the funding appropriated in Schedule 1 of the Bill was allocated to the Transport Vote and were designated for the Development Bank of Southern Africa (DBSA) Infrastructure Fund rail projects to enhance commodity freight logistics, with R1.1 billion allocated to the Home Affairs Vote to support preparations for 2026 local government elections. The Commission indicated that the R1.8 billion allocated to National Treasury to capitalise the Credit Guarantee Vehicle, designed to de-risk and unlock private investment in critical infrastructure, reflected a 29.3 percent increase in Treasury's total budget allocation for 2026/27 compared to the 2025 appropriation; which appeared inconsistent with underspending of 24 percent in 2024/25. Furthermore, the R189 million allocated to the Department of Communications and Digital Technologies for dual illumination costs to maintain simultaneous digital and analogue signals amid national Broadcast Digital Migration delays, appeared inconsistent with a 0.3 percent decrease for 2026/27 relative to the original 2025 baseline and underspending of 27 percent in 2024/25.

The Commission further commented that most of the funds (R6.8 billion) appropriated in Schedule 2 of the Bill were directed toward the Transport Vote, including R5.8 billion for the Passenger Rail Agency of South Africa's (PRASA's) rolling stock renewal programme and R1.8 billion for it to meet its contractual obligations under an agreement with Gibela Rail Transport Consortium, which required a minimum order of 35 locomotives per annum. Given PRASA's history of procurement irregularities and financial mismanagement, the Commission recommended that Parliament, through its Portfolio Committee on Transport and the Standing and Select Committees on Appropriations, exercise rigorous oversight over this allocation and monitor measurable progress toward increasing annual passenger trips.

The Commission also commented that the R700 million allocation to the Department of Communications and Digital Technologies for the operations of state-owned signal distributor Sentech came amid an ongoing dispute between Sentech and the South African Broadcasting Corporation (SABC) over a protracted backlog of unpaid distribution fees, amounting to approximately R1.6 billion.

4.2 Parliamentary Budget Office (PBO)

The Parliamentary Budget Office (PBO) submitted that the Bill dealt with expenditure announced in the 2025 Medium Term Budget Policy Statement (MTBPS) and additional spending pressures, and the focus was mainly on economic infrastructure, with 69 percent allocated to rail, port and freight corridor upgrades; 14 percent to financial investments and guarantees aimed at leveraging private sector infrastructure financing; and 9 percent to ICT and digital broadcasting support. The largest share of the allocation supported PRASA rolling stock and DBSA-managed freight corridors, targeting key export and logistics bottlenecks. R22 billion would focus on logistics, rail, port and ICT infrastructure to unlock structural growth constraints in the economy. The PBO further commented that R1.116 billion for the Independent Electoral Commission (IEC) was a once-off constitutional cost ensuring credible 2026 local government elections.

The PBO indicated that, while the Credit Guarantee Vehicle (CGV) and International Finance Corporation (IFC) share purchase aimed to crowd-in private investment and deepen blended finance architecture, key fiscal risks included weak implementation capacity, delivery delays, and rising contingent liabilities from guarantees. The PBO was of the opinion that the success of the special appropriation hinged on governance, quality project execution, measurable service delivery and oversight.

5. Public submissions

5.1 Women on Farms Project

The Women of Farms Project (WFP) requested that the Bill be used to increase the Child Support Grant (CSG) and the Social Relief of Distress (SRD) Grant to alleviate the country's existing food security crisis and mitigate the pending cost-of-living crisis anticipated by the war in the Middle East. It reported that Statistics SA put the 2026 Food Poverty Line (FPL) at R855 a month, while the CSG was only R580 and the SRD Grant only R370. Farmwomen reported that, despite pooling all the grants a household received, they were still unable to feed their families, forcing them into high-interest loans and a cycle of indebtedness to ensure daily family survival.

WFP argued that the above-mentioned war and the general global uncertainty had created unique circumstances that warranted the use of a special appropriation. While WFP applauded the previous use of a special appropriation to address the funding shortfall resulting from the withdrawal of American donor funding in the health sector, it believed this was a crisis of

similar magnitude and that government should act with the same level of decisiveness and add this expenditure to the schedules proposed in the Bill.

Based on rough calculations with the current estimated number of beneficiaries, WFP put forward the following options:

- Option 1: Increasing the CSG and SRD to the FPL would cost R91 billion per annum.
- Option 2: To account for the expected 30 percent increase in agricultural and food costs, both the CSG and the SRD could be increased by 30 percent, which would result in an increase of R38 billion per annum.
- Option 3: To increase the CSG only to cover the 30 percent increase in agricultural and food costs would amount to R27 billion per annum.

WFP recognised the resource limitations and proposed the introduction of a wealth tax on the richest 1 percent of South Africans, as a moderate tax rate of between 3 and 7 percent, with a 30 percent tax evasion rate, could generate an estimated revenue of R134 billion per annum, which would be more than sufficient to cover Option 1 above.

5.2 Congress of South African Trade Unions

The Congress of South African Trade Unions (COSATU) welcomed the investments in Transnet as it would have a critical impact upon unlocking mining, manufacturing and agricultural sectors and jobs. COSATU commented that Transnet should be assisted to settle debt to free up capital for the modernisation of its port and railway network as these would further unlock the above sectors, create jobs and boost state revenue. COSATU commented that the infrastructure support for Metrorail would boost its efforts to return to full capacity and enable 10 million workers and commuters to travel quickly and cheaply; and that investments to boost Transnet and Metrorail were critical as fuel prices increased sharply due to the war in the Middle East. COSATU commented that South Africa's long-term exposure to international oil price instability could be offset for food and commuters with reliable and affordable freight and passenger rail. In addition to increased support to Transnet and Metrorail, COSATU proposed continued support for Eskom and other state-owned entities (SOEs).

While acknowledging the important allocations in the Bill, COSATU expressed frustration that government continued to prioritise balancing books at the expense of tabling a bold stimulus package that would fix public and municipal services, spur economic growth, boost employment, provide relief for the poor and unemployed and improve tax compliance.

5.3 Youth Capital

Youth Capital called for the immediate reinstatement of funding for the Basic Education Employment Initiative (BEEI) to previous levels to restore large-scale youth employment opportunities that had been lost. Unemployment was a national emergency requiring urgent and sustained interventions, and the recent effective defunding of the BEEI, a part of the Presidential Employment Stimulus, required urgent fiscal intervention.

Youth Capital called on the Committee to -

- Reinstatement the BEEI budget to previous levels (minimum R5.6 billion);
- Restore at least 200 000 annual work opportunities for young people;
- Recognise BEEI as a core national employment intervention, not a temporary programme; and
- Ensure that the reinstatement of the BEEI was not funded at the expense of other, complementary public employment programmes, as addressing youth unemployment at scale required expanded investment, not reallocation.

5.4 Ms Z Nhlapo

Ms Nhlapo commented that multiple government departments had failed to demonstrate adequate accountability for allocated funds, with the Auditor-General of South Africa (AGSA) consistently reporting the mismanagement of billions of rands. Ms Nhlapo submitted that allocating additional funds to these underperforming departments would not resolve the root cause of poor service delivery in South Africa. Furthermore, while Section 38 of the Public Finance Management Act, (Act No.1 of 1999), placed the responsibility to manage public funds effectively on accounting officers, this duty was not carried out in many departments.

Ms Nhlapo further indicated that South Africa was experiencing widespread corruption in the management of public funds, as confirmed by the Zondo Commission of Inquiry into State

Capture, which showed how deeply corruption was embedded; and that appropriating additional funds without strengthening accountability mechanisms created further opportunities for financial misconduct. The approval of the Bill without necessary checks and measures in place, may create further opportunities for corruption instead of improving service delivery in the country.

Ms Nhlapo pointed out that South Africa was experiencing a service budget deficit and that approving the Bill under these economic conditions would increase national debt and place a long term economic burden on ordinary citizens.

Ms Nhlapo made the following recommendations to strengthen accountability, reduce corruption and improve the management of public funds:

- Departments should demonstrate the ability to manage current funds prior to the approval of additional funds.
- Stronger accountability measures should be implemented to prevent corruption before the Bill is implemented.
- Current budgets should be used effectively instead of increasing budgets, especially during this time of limited financial resources.

5.5 Breadline Africa

While acknowledging the importance of funding the 2026 local government elections, capitalising economic instruments, and investing in transport, logistics and infrastructure, Breadline Africa expressed concern that the Bill contained no allocation for Early Childhood Development (ECD) infrastructure such as classrooms, kitchens, safe sanitation and outdoor learning spaces. It argued that, while the 2026 Budget committed R12.8 billion to expand ECD access, the subsidy expansion depended on registered centres, registration depended on infrastructure compliance, and infrastructure remained unfunded. It further submitted that the Bill demonstrated government's ability to mobilise significant resources quickly in response to urgent priorities and that ECD infrastructure merited the same urgency, given its proven role in unlocking subsidy expenditure, supporting women's economic participation, and strengthening South Africa's long-term human capital outcomes. Without a dedicated capital response, successive fiscal instruments would continue to expand ECD commitments without providing the physical foundation required to realise them.

Breadline Africa recommended that Parliament –

- Acknowledge explicitly, in its consideration of the Bill, the continued absence of ECD infrastructure funding across all major fiscal instruments for 2025/26;
- Direct National Treasury and the Department of Basic Education (DBE) to report back on options for funding ECD infrastructure through special or indirect appropriations, including the potential inclusion of ECD social infrastructure within future DBSA Infrastructure Fund allocations and the use of Schedule 6 type indirect delivery mechanisms for rapid, standardised ECD infrastructure rollout; and
- Ensure that future special appropriation bills explicitly consider ECD infrastructure as an eligible priority, particularly where fiscal space is being created for infrastructure investment with high long-term social and economic returns.

Breadline Africa indicated that it remained ready to support National Treasury and the DBE with costing models, standardised designs and implementation support to ensure that ECD infrastructure could be rapidly and responsibly integrated into South Africa's fiscal framework.

5.6 Mr T T Lebothe

Mr Lebothe supported the intention of the Bill to address urgent fiscal needs and ensure continuity in government service delivery. However, he strongly believed that appropriated funds must be directed toward initiatives that yielded measurable socio-economic impact, particularly in addressing unemployment, infrastructure development, and small business growth. He commented that the Bill presented an important opportunity to not only address immediate fiscal requirements but to reshape spending toward sustainable development and inclusive economic growth.

Mr Lebothe submitted that the lack of targeted Local Economic Development (LED) impacted negatively on communities, and that while national appropriations were necessary, there was often insufficient tracking of how funds directly benefit local communities, especially in townships and rural areas. Mr Lebothe added that the youth unemployment and skills mismatch lead to continuing critically high youth unemployment rates. The current spending patterns did not adequately prioritise practical skills development aligned with industry demands, particularly in technical and engineering sectors. In addition, large allocations to

infrastructure projects were frequently undermined by delays, poor project management, and lack of accountability, resulting in reduced return on public investment.

Mr Lebothe made the following recommendations:

- A defined percentage of the appropriated funds should be ring-fenced for Local Economic Development (LED) projects. These should include: (i) township-based small business incubation hubs; (ii) community-driven infrastructure maintenance programs; and (iii) local procurement mandates to empower small, medium and micro enterprises (SMMEs).
- Government should allocate funding specifically for partnerships between Technical and Vocational Education and Training (TVET) colleges, private sector companies, and infrastructure projects. This will provide hands-on training opportunities; bridge the gap between education and employment; and increase employability in sectors such as renewable energy, construction, and engineering.
- The introduction of a performance-based funding mechanism should be considered where funds are released in phases, based on project milestones; contractors and implementing agents should be evaluated on delivery timelines and quality and non-performing entities should face penalties or funding withdrawal.
- Government should invest in digital platforms that allow real-time tracking of government spending. The public access dashboards should show how funds are allocated and spent; provide progress updates on infrastructure projects; and enable citizens to report inefficiencies or corruption.
- Given the country's energy challenges, government should prioritise funding toward renewable energy infrastructure that supported community solar projects, training programmes in renewable energy technologies and incentives for small contractors to participate in energy infrastructure delivery.

5.7 Ms RE Smith

Ms R E Smith supported the provision of more funds towards HIV/AIDS care and public healthcare but objected to the allocation of any money toward so-called "emergency expenses". Ms Smith explained that government officials in charge of healthcare and funds had repeatedly misappropriated and misallocated funds in the name of unforeseen circumstances and emergencies and, if the location for the money was not explicitly named

and allocated towards care for sicknesses and diseases (not including gender affirming care), she did not support it.

6. Observations and findings

The Select Committee on Appropriations, having considered the above inputs on the *Special Appropriation (2025/26 Financial Year) Bill* [B3 - 2026], made the following findings:

- 6.1 The Committee observed that significant allocations, particularly to infrastructure programmes such as PRASA, freight corridors, and the Credit Guarantee Vehicle, are directed to entities with a history of underperformance and underspending. Evidence from the FFC and PBO points to procurement inefficiencies, delays, and weak institutional capacity. This raises concerns about the ability of these entities to effectively utilise additional funds. The Committee is concerned that funding may not translate into improved service delivery.
- 6.2 The Committee noted that the Bill introduces fiscal risks, including rising contingent liabilities, cost overruns, and continued reliance on entities with weak financial controls. Stakeholder inputs highlighted persistent mismanagement of public funds and weak accountability. Allocating additional resources without stronger oversight creates risks of inefficiency and potential corruption. The Committee is concerned that these risks may undermine fiscal stability.
- 6.3 The Committee remained concerned that the Bill prioritises economic infrastructure but does not adequately address key social challenges raised during public participation. These include gaps in ECD infrastructure, youth employment, and food security interventions. Submissions indicated that vulnerable groups remain under-supported. The Committee is concerned that this imbalance weakens the developmental impact of the budget.
- 6.4 The Committee noted that there is limited linkage between allocated funds and measurable socio-economic outcomes, particularly at community level. Infrastructure spending often fails to translate into local economic development and job creation. Weak monitoring and coordination further reduce impact. This undermines the effectiveness and public value of government expenditure.

6.5 The Committee remained concerned that infrastructure investments continue to be affected by delays, cost escalations, and weak contract management. These challenges reduce value for money and delay intended benefits. The absence of performance-based funding and accountability mechanisms perpetuates inefficiencies. The Committee is concerned that increased funding alone will not resolve these issues.

7. Recommendations

The Select Committee on Appropriations, having been briefed and having engaged with the above stakeholders on the *Special Appropriation (2025/26 Financial Year) Bill* [B3 - 2026], recommends as follows:

- 7.1 National Treasury should, within 60 days of the adoption of this Report by the House, assess the implementation capacity of all entities receiving funds under this Bill. This should include mitigation plans to address procurement and governance weaknesses. National Treasury should introduce conditionalities linking disbursements to performance improvements. Quarterly progress reports must be submitted to Parliament for continuous monitoring.
- 7.2 National Treasury, with the Auditor-General of South Africa (AGSA), should, within 90 days of the adoption of this Report by the House, strengthen risk management and accountability frameworks for all allocations. This must include monitoring of contingent liabilities and enforcement of consequence management. Departments should demonstrate Public Finance Management Act (PFMA) compliance before accessing additional funds. Parliament should intensify coordinated oversight across committees.
- 7.3 National Treasury should, within 120 days of the adoption of this Report by the House, review special appropriations to improve alignment with social priorities such as early childhood development infrastructure, youth employment, and food security. The review should explore integrating social infrastructure into existing funding instruments. National Treasury must report on feasible options within fiscal constraints. Future allocations should reflect a better balance between economic and social needs.
- 7.4 National Treasury and departments should, within 90 days of the adoption of this Report by the House, implement a results-based framework linking allocations to measurable outcomes such as jobs and local development. Clear indicators and reporting

requirements must be defined. A portion of spending should support local economic initiatives and small, medium and micro enterprises. Public transparency tools should be introduced to track spending, value for money and the much-needed impact.

7.5 National Treasury should, within 90 days of the adoption of this Report by the House, introduce performance-based funding for infrastructure projects linked to milestones and quality standards. Contract management must be strengthened, with penalties for non-performance. Capacity-building within implementing agencies should be prioritised, and independent performance audits should be conducted to ensure value for money.

8. Conclusion

The Select Committee on Appropriations noted that the *Special Appropriation (2025/26 financial year) Bill* [B3–2026] seeks to address urgent expenditure pressures, particularly in economic infrastructure and key national priorities. While the Committee acknowledges the importance of these allocations in supporting growth and service continuity, it remains concerned about implementation capacity, fiscal risks, and the limited alignment with pressing social needs. The effectiveness of the appropriated funds will depend on strengthened oversight, improved accountability, and measurable delivery outcomes. The Committee, therefore, emphasised the need for strict monitoring and timely reporting to ensure that these allocations translate into tangible socio-economic benefits.

9. Committee decision

After having complied with section 12 of the Money Bills and Related Matters Act No 9 of 2009 (as amended), the Select Committee on Appropriations, having considered the *Special Appropriation (2025/26 Financial Year) Bill* [B3 - 2026], referred to it for concurrence, and classified by the Joint Tagging Mechanism as a section 77 Bill, reports that it has agreed to the Bill, without proposed amendments.

The Umkhonto we Sizwe Party (MKP) and the Economic Freedom Fighters (EFF) objected to the Bill.

Report to be considered.

