ANNUAL REPORT

2024/25

public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

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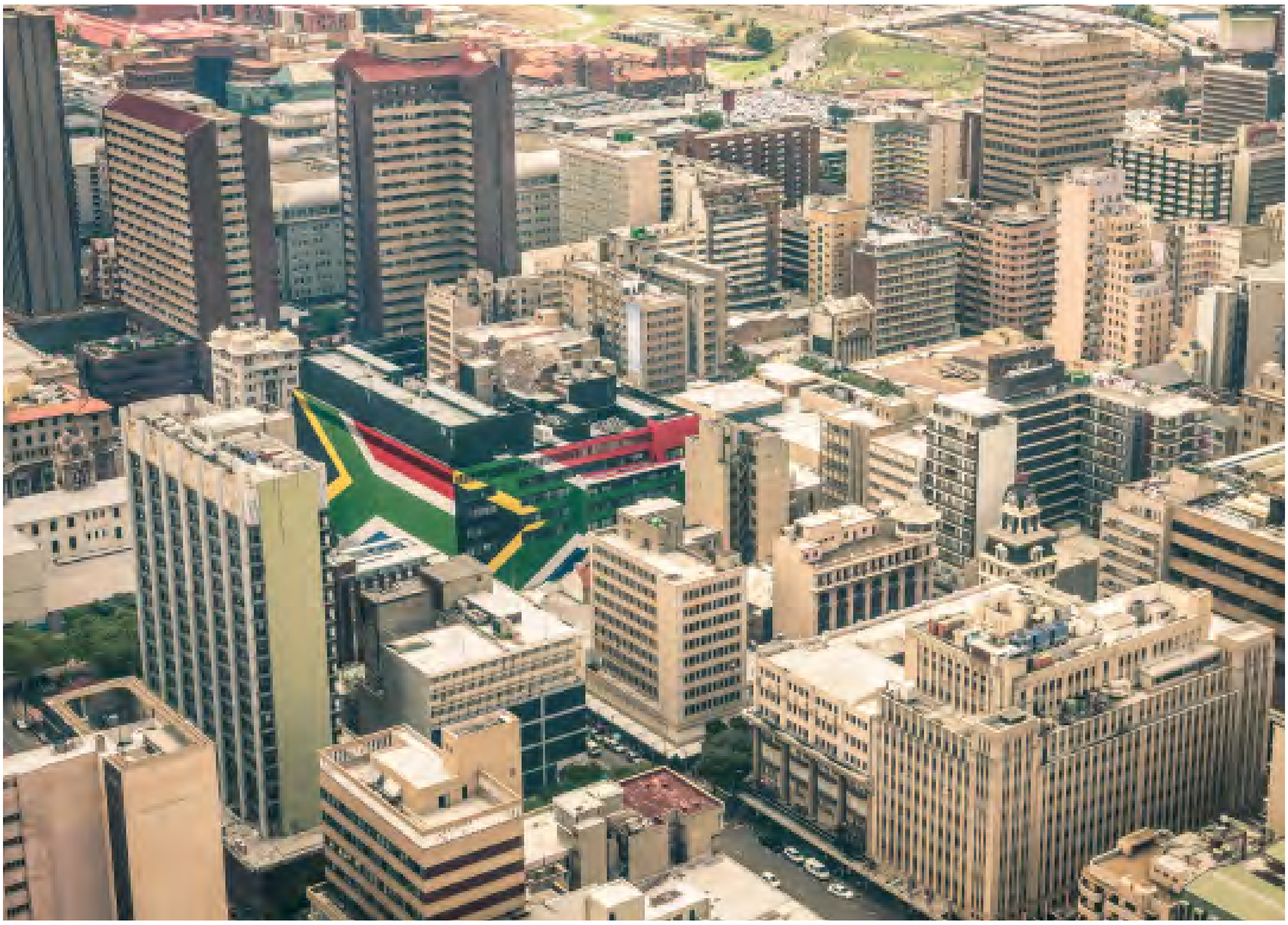


1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS:

Department of Public Enterprises | 80 Hamilton Street | Arcadia | Pretoria

POSTAL ADDRESS:

Private Bag X15 | Hatfield | 0028

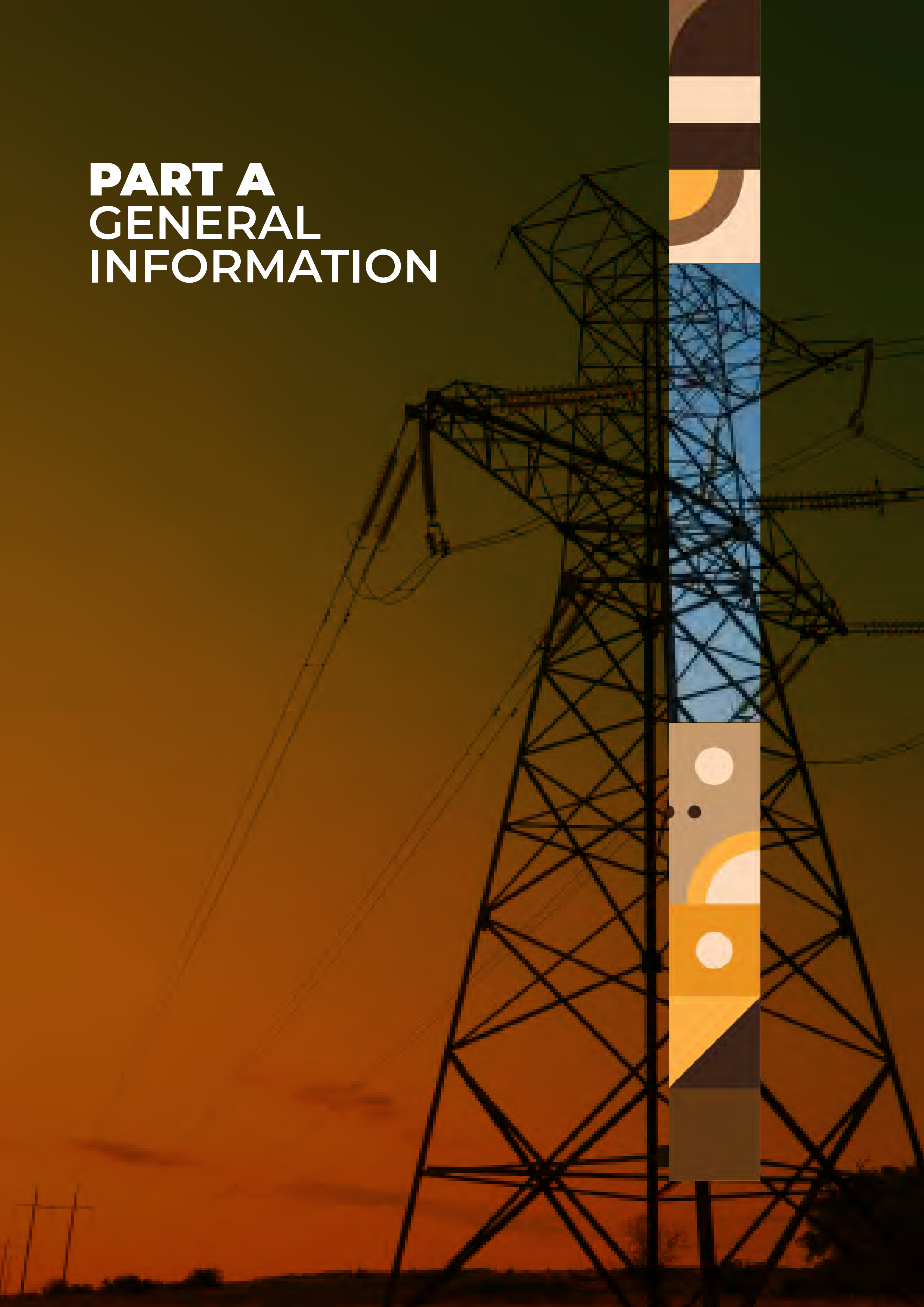
WEBSITE ADDRESS:

www.dmpe.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGM	Annual General Meeting
AGSA	Auditor General of South Africa
AO	Accounting Officer
ARC	Audit and Risk Committee
CAPEX	Capital Expenditure
CFO	Chief Financial Officer
CSD	Central Supplier Database
CSI	Corporate Social Investment
DAFF	Department of Agriculture, Forestry and Fisheries
DDG	Deputy Director-General
DG	Director-General
DM	Deputy Minister
DOT	Department of Transport
DPE	Department of Public Enterprises
EA	Enterprise Architecture
EAF	Energy Availability Factor
EIA	Environmental Impact Assessments
ERRP	Economic Recovery and Reconstruction Plan
EXCO	Executive Committee
GFB	General Freight Business
HR	Human Resources
ICT	Information and Communication Technology
IGR	Inter-Governmental Relations
KPI	Key Performance Indicator
MISS	Minimum Information Security Standards
MOI	Memorandum of Incorporation
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NT	National Treasury
PFMA	Public Finance Management Act
PPP	Public-Private Partnerships
PSEC	Presidential State-Owned Enterprise Council
PSJV	Pooling and Sharing Joint Venture
RFQ	Request for Quotation
RIMF	Risk and IntegrityManagement Framework
SAFCOL	South African Forestry Company Ltd
SAX	South African Express Airways
SCM	Supply Chain Management
SEA	Strategy Execution Advisors
SOC	State Owned Company
TMPS	Total Measure Procurement Spent
TNPA	Transnet National Ports Authority
TOR	Terms of Reference
TFR	Transnet Freight Rail
WSP	Workplace Skills Plan

PART A
GENERAL INFORMATION



1. FOREWORD BY THE MINISTER

The 2024/25 financial year marks the conclusion of the Department of Public Enterprises (DPE), an institution that has played a pivotal role in shaping South Africa's economic landscape since its establishment. This Annual Report is not only a reflection of the department's performance during its final year but also a tribute to the legacy of those who have led and served this institution with dedication and vision.

Over the years, the DPE has been instrumental in driving the strategic oversight of State-Owned Companies (SOCs), ensuring their alignment with national priorities such as economic growth, industrialisation, and socio-economic transformation. The department's work has been guided by the principles of operational excellence, fiscal prudence, and developmental impact, and its achievements have left an indelible mark on South Africa's governance framework.

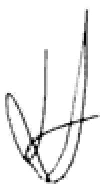
In its final year, the department faced the unique challenge of transitioning its functions to policy departments while maintaining its commitment to delivering on its mandate. Despite these challenges, the DPE demonstrated resilience and focus, achieving significant milestones such as the publication of the State-Owned Enterprises Shareholder Management Bill, which will serve as a cornerstone for SOC governance in the years to come.

The department's oversight of SOCs like Eskom, Transnet, and SAFCOL has contributed to critical improvements in energy availability, infrastructure development, and operational efficiency. These achievements are a testament to the dedication of the department's leadership and staff, who worked tirelessly to ensure that the transition did not compromise the delivery of key outputs.

As we close this chapter, it is important to recognise the contributions of all those who have steered this department with dedication since its inception. Their vision and leadership have shaped the department into a vital institution that has supported South Africa's developmental goals. In particular, I salute the former Ministers who have served with distinction, including my predecessor, the late Pravin Gordhan, whose leadership and unwavering commitment to public service left an indelible mark on the Department. His contributions, particularly during challenging times, will forever be remembered.

To the employees who have served with commitment and integrity, I extend my deepest gratitude for your unwavering dedication.

The dissolution of the DPE is not the end of its legacy but rather the beginning of a new era where its functions will continue to be carried forward by policy departments. The work of the DPE will live on in the strengthened governance frameworks, improved SOC performance, and the foundational policies it has established. As we look to the future, let us honour the legacy of the DPE and continue to build on the foundation it has laid for a better South Africa.



Hon. Maropene Ramokgopa, MP
Minister in the Presidency
for Planning, Monitoring and Evaluation

2. DEPUTY MINISTER STATEMENT

It is with mixed emotions that I write this statement for the Department of Public Enterprises' (DPE) 2024/25 Annual Report. The DPE ceased to exist in August 2024 when the Presidency published Government proclamation no 176 of 2024 which enabled the transfer of its administration and powers and functions to respective policy departments and the Department of Planning, Monitoring and Evaluation (DPME).

The DPME received the administrative function and had to oversee the closing of DPE including transferring all staff by 31 March 2025 to the respective policy departments and DPME.

This is the first time that a department has closed since the dawn of democracy. The lessons learnt are invaluable for the future.

Reflecting on the achievements of the state owned companies (SOCs) under DPE - Transnet, Denel, Eskom, SAFCOL, Alexkor and South African Airways – they have made significant contributions to the economy and they will continue play vital roles in the economy.

Eskom, in particular, will be remembered for its massive electrification campaign of the democratic government since 1994. This drive ensured that more than 90% of households are electrified. In addition, Eskom has been able to stabilise the grid. Since 1 April, and the country has experienced only 26 hours of load shedding and the outlook for the summer remains upbeat.

Our SOC's proved their resilience despite challenges like state capture and many of them featured prominently at the Zondo Commission of Inquiry into State Capture.

Today, green shoots indicate that these SOCs are on an upward trajectory, which bodes well for the future.

To the staff of the DPE, a special word of thanks. You have served the country with aplomb. Your dedication and professionalism will continue to benefit the country in your new roles within the policy departments.

I also extend my gratitude to my predecessors for laying the foundation for this transition.

Hon. Seiso Mohai, MP
Deputy Minister in the Presidency
for Planning, Monitoring and Evaluation

3. REPORT OF THE ACCOUNTING OFFICER

5.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

The 2024/25 financial year marks the final year of the existence of the Department of Public Enterprises. On 30 June 2024, President Ramaphosa announced that the Department of Public Enterprises will cease to exist from 2025/26 financial year. Subsequently, in August 2024, the Presidency published Government Proclamation No. 176 of 2024, enabling the transfer of the administration, powers and functions entrusted by legislation to a Cabinet Member in terms of Section 97 of the Constitution.

The administrative functions of the Minister of Public Enterprises as outlined in the Public Service Act 1994 (Proclamation no 103 of 1984) and the Public Finance Management Act, 1999 (Act 1 of 1999) were transferred to the Minister for Planning, Monitoring and Evaluation (DPME). The State-Owned Companies (SOCs) under the DPE were reassigned to their respective policy departments.

To facilitate the reconfiguration of the executive and departmental structures, the 2024 National Macro Organisation of Government (NMOG) project was initiated. The Department of Public Service and Administration (DPSA) was assigned with the responsibility of managing the 2024 NMOG project while the overall leadership was provided by the Presidency. Throughout its existence, the Department constantly demonstrated its commitment to advancing the objectives of the National Development Plan (NDP). The SOCs under the portfolio of DPE played a critical role in the South African economy, serving as key drivers of economic growth, inclusive development and socio-economic transformation. The SOCs were instrumental in driving the priorities outlined in the Medium-Term Strategic Framework (MTSF). The department ensured that these SOCs were actively engaged and contractually aligned to support and advance the national development goals.

The 2024 NMOG project had a significant impact on the operational efficiency of the department and affected the delivery of the key outputs outlined in the 2024/25 Annual Performance Plan (APP). The unexpected mid-year reassignment of the SOC oversight functions brought significant challenges to the operations of the department. To mitigate the disruptions and ensure oversight continuity, the department established working arrangements with the receiving departments. While some of these efforts proved effective, others were less successful which ultimately hindered the department's ability to fully achieved its performance targets.

However, in other areas significant progress was made in the 2024/25 financial year which include the publication of the long-awaited State-Owned Enterprises Shareholder Management Bill. The purpose of the Bill is to enhance the SOCs' governance as well as fostering coherence in the oversight of the State's strategic assets. The Bill seeks to provide government with unified regulatory framework that will enhance its ability to effectively manage its shareholder responsibilities over the SOEs. To date, public consultation on the Bill have been completed and its have been formally presented to Parliament.

The National Macro Organisation of Government project had a significant impact on the operational efficiency of the Department and the delivery of key outputs outlined in its 2024/25 Annual Performance Plan (APP).

The move of SOEs to policy departments immediately after the proclamation created a performance gap. The dual reporting to both the abolished DPE and the receiving departments was not effective. DPE was expected to implement the APP in full, regardless of the organizational changes.
The interim working arrangements between DPE and receiving departments were initiated but were not effective. Whilst some of the targets were achieved majority of them were beyond the department's control. New executive authorities revised priorities and restarted processes which caused delays to the deliverables such as shareholder compacts. However, employees collaborated and worked with policy departments to maintain seamless daily operations.

It must be highlighted that some work relating to the APP was performed post the transfer of personnel to various line Departments. The work now belongs to the new line Departments but is still the APP of the DPE. There is a need to consolidate what has been done and reported accordingly in the close out report to indicate that the budget thereof was not in vain.

5.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

5.2.1 Department receipts

The table below provides a breakdown of the sources of revenue and performance for the 2024/25 financial year.

Table 1: Source of Revenue

Departmental receipts	2024/25			2023/24		
	Estimate	Actual amount collected	(Over)/Under collection	Estimate	Actual amount collected	(Over)/Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales of goods and services other than capital assets	41	69	(28)	101	70	31
Interest, dividends and rent on land	-	-	-	-	-	-
Sales of capital assets	23	69	(46)	-	-	-
Financial transactions in assets and liabilities	167	673	(506)	145	870	(725)
TOTAL	**231**	**811**	**(580)**	**246**	**940**	**(694)**

Revenue Narrative

The Department does not generate revenue from the public. The revenue collected comprises of commission from insurance on Personnel Salary System (PERSAL) transactions, parking fees, payments of bursary debts by officials and other recoverable expenditure.

Departmental revenue has decreased from R 940 000.00 in the 2023/24 financial year, to R 811 000.00 in the 2024/25 financial year. This is due to decrease in financial transactions in assets and liabilities.

Programme Expenditure

Programme Name and Direct Charges	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	167 371	119 623	47 748	149 936	142 696	7 240
State-owned Companies Governance Assurance and Performance	62 400	41 597	20 803	63 098	62 054	1 044
Business Enhancement, Transformation, and Industrialisation	66 719	45 025	21 694	62 243	53 649	8 595
TOTAL	**296 490**	**206 245**	**90 245**	**275 277**	**258 399**	**16 879**

Expenditure narrative

The Department spent 69.6% (R206.2 million) of the total appropriation (R296.5 million) for the year ended March 2025. The spending was 30.4% lower than the budget. The underspending is due to vacant positions that Department of Public and Administration (DPSA) issued a moratorium that DPE should not continue filling posts while the department is in the transition of closing. This also impact on some of the line items under goods and services such as communication and subsistence and travels.

5.2.3 Virements and Roll overs

5.2.3.1 Virements

There were no requests for virements of funds for the 2024/25 financial year.

5.2.3.2 Roll overs

There were no requests for roll over of funds submitted to National Treasury in the 2024/25 financial year.

5.2.4 A description of the reasons for unauthorised, irregular, and fruitless and wasteful expenditure and the amount involved as well as steps taken to address and prevent a recurrence

5.2.4.1 Unauthorised expenditure

The Department did not incur any Unauthorised expenditure in the 2024/25 financial year.

5.2.4.2 Irregular expenditure

The amounts of Irregular expenditure have increased from R 46.3 in 2023/24, to R 46.3 million as at the end of March 2025. These Irregular expenditures cases were due to the contravention of Supply Chain Management (SCM) processes. The Department continues to implement control measures and monitors, detects, and addresses Irregular expenditure to ensure compliance with the Public Finance Management Act, Act 1 of 1999 as amended (PFMA).

5.2.4.3 Fruitless and Wasteful Expenditure

5.2.4 Strategic focus over the short to medium term period

None

5.2.5 Public Private Partnerships

None

5.2.6 Discounted activities/activities to be discontinued

5.2.7 New proposed key activities

None

5.2.8 Supply chain management

5.2.9 Gifts and donation received in kind from non-related parties

5.2.10 Exemption and deviations received from National Treasury

5.2.11 Events after the reporting date

5.2.12 Other

Conclusion

I would like to thank Minister and Deputy Minister for their leadership and stewardship to the Department of Public Enterprises during the 2024/25 financial year. I would further like to extend my gratitude to all the staff members of the Department for their ongoing dedication to ensuring that the department continues to achieve its mandate and related objectives during the 6th Administration.

Adv. Melanchton Makobe
Accounting Officer
Department of Planning, Monitoring and Evaluation
Date: 29 September 2025

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

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

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2025.

Yours faithfully

____

Adv. Melanchton Makobe
Accounting Officer
Date

7. STRATEGIC OVERVIEW

7.1 Vision

To create an enabling environment in which SOCs add real economic value by focussing on operational excellence, commercial viability, and fiscal prudence. This will drive developmental objectives, industrialisation, job creation and skills development.

7.2 Mission

To provide clear strategic direction and oversight to the Department's SOCs, seeking to ensure that:

i. They are financially sustainable, adequately funded and operationally roburst
ii. Their operating models keep pace with global developments and innovation
iii. The provide reliable, high quality and cost-effective services and infrastructure to industry and our citizens
iv. They secure investment and funding for strategic industrial development
v. They align with National development objectives

7.3 Values

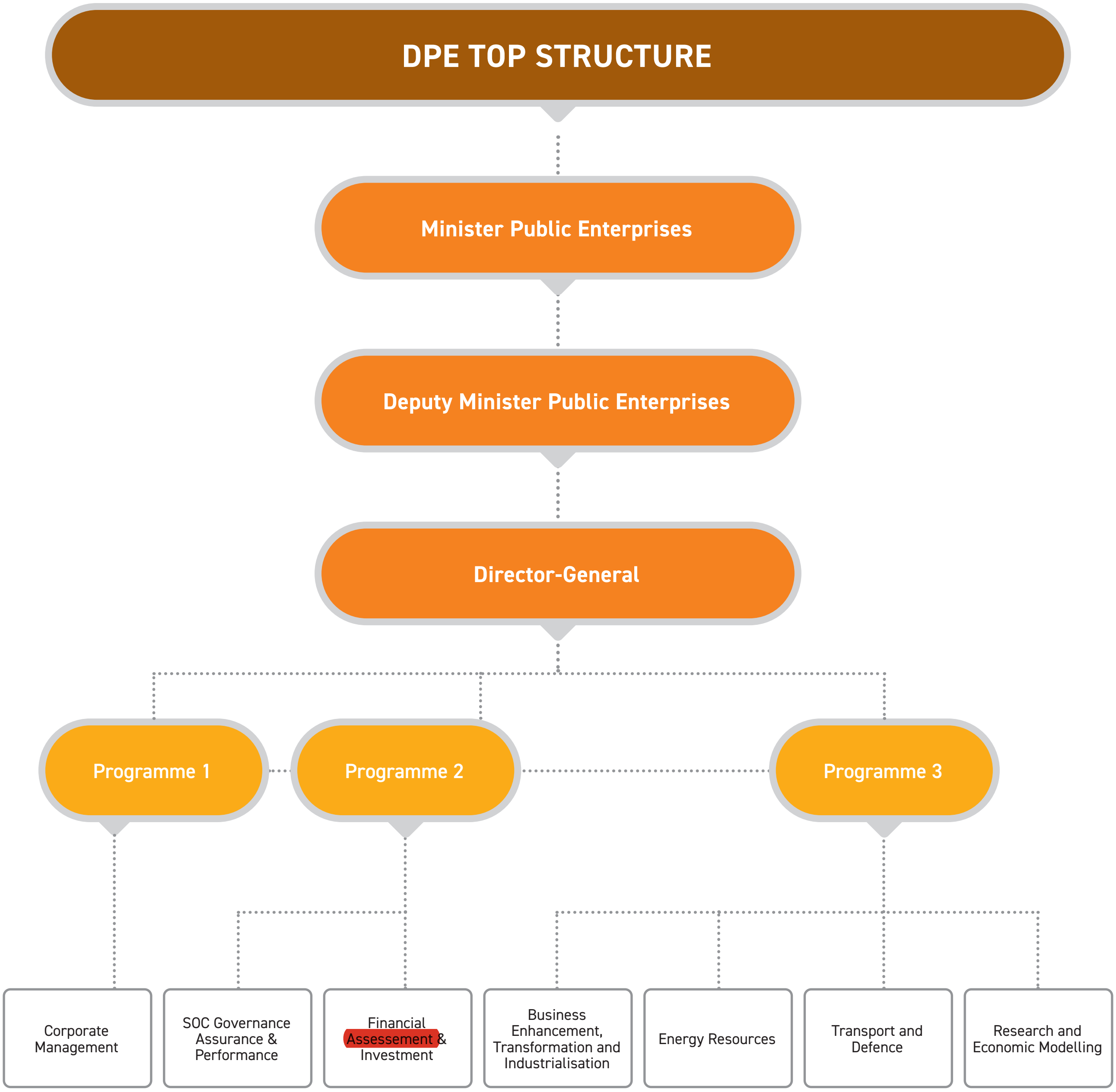
i. Trusting
ii. Transparent
iii. Enabling
iv. Prudent
v. Caring
vi. Responsive
vii. Leading
viii. Relevant

8. LEGISLATIVE AND OTHER MANDATES

The DPE is mandated to perform shareholder oversight on behalf of Government over seven SOCs that play a key role in enabling economic growth, creating jobs and promoting the industrialization and transformation of the economy. All the SOCs are incorporated as companies in accordance with the provisions of the Companies Act, 2008. Except for Denel, all the SOCs are established in terms of their own enabling legislation which sets out the purpose, mandate and objectives for which they were founded. Department is the administrator and custodian of all legislation relation to the establishment of SOCs.

In terms of section 63 (2) of the Public Finance Management Act 1 of 1999, as amended (the PFMA), the Minister of Public Enterprises has, inter alia, the responsibility of ensuring that the SOCs comply with the PFMA.

9. HIGH-LEVEL ORGANISATIONAL STRUCTURE



The table below indicates the entities that report to the Minister:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Alexkor	Alexkor Limited Act (Act 116 of 1992)	Shareholder Representative	A diamond mining company that operates primarily in Alexander Bay and the greater Namaqualand area.
Denel	None	Shareholder Representative	Denel is responsible for manufacturing defence equipment and maintains sovereign and strategic defence capabilities on behalf of the state.
South African Airways	South African Airways (Act 5 of 2007)	Shareholder Representative	South African Airways is the South African national airline.
South African Forestry Company	Management of State Forests Act (Act 128 of 1992)	Shareholder Representative	SAFCOL is government's forestry company which conducts timber harvesting, timber processing and related activities both domestically and regionally.
Eskom	Eskom Conversion Act (Act 13 of 2001)	Shareholder Representative	Eskom generates, transmits and distributes electricity to industrial, mining, commercial, agricultural and residential customers and redistributors.
Transnet	Legal Succession to the South African Transport Services Act (Act 9 of 1989)	Shareholder Representative	Transnet is a freight and logistics company responsible for pipelines, ports, and rail transport infrastructure and operations in South Africa.

PART B
PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

During the year under review, the operating environment experienced few changes where the Department of Public Enterprises was abolished. This marks the first in the history of South African government where a department was abolished rather than being merged or demerged. This changed had significant impact on the delivery of the annual performance plans. In addition, some of the entities within the Department's portfolio experienced financial and operational challenges.

After the President's pronouncement on the closure of the Department, the DPE-reporting State-Owned Companies were moved to the appropriate policy agencies in accordance with Proclamation No. 176 of 2024. On the other hand, DPE employees were moved to policy departments as of 01 April 2025.

With this announcement, the National Macro Organization of Government project implementation process came into force. The Department's operational effectiveness and the attainment of it key output outlined in the 2024/2025 Annual Performance Plan (APP) were both significantly impacted.

There was a performance gap as a result of SOCs moving to policy departments right after the proclamation. It was ineffective to report to both the receiving departments and the now-defunct DPE. The DPE was still expected to fully implement the 2024/25 APP, notwithstanding organizational changes.

2.2 Service Delivery Improvement Plan

The SOC within the purview of the Department offer services to the public that are essential to the economic growth and competitiveness as well as to addressing the socio-economic needs of local areas. Improvements pertaining to the delivery of these services are documented in the Shareholder Compacts with the SOC, and the Department monitors developments on regular basis.

2.3 Organisational Environment

The DPE's distinctive organizational design was adapted to its responsibility of overseeing SOEs. The operational framework of DPE provided limited compatibility with the more diverse and wide-ranging operational imperatives because it was established to focus on the oversight role.

The Department has limited resources during the 6th Administration because of a high rate of vacancies. The National Treasury's (NT) decree on austerity measures, which managed the filling of open posts as part of control mechanisms to address the challenges of the current budgetary situation, was partially to blame for this. Along with other government departments, the Department's Cost of Employee (CoE) budget was cut due to a lack of funding. The Department flourished in fulfilling its mission in spite of these resource constraints.

Despite this, the Department strived to implement its key strategic objectives despite the budget cuts. The Department explored other ways to address the challenge where the HR strategy was developed to fill in the critical positions. As part of the baseline reduction of the CoE budget, the process of identifying posts that were to be unfunded was put in place. However, the recruitment process was not finalised due to the pronouncement of the DPE in June 2024.

2.3 Key Policy Developments and Legislative Changes

There abolishment of the Department in terms of the Proclamation No. 176 of 2024, affected the departmental operations during the year under review.

3. STRATEGIC OUTCOME ORIENTED GOALS

In his February state-of-the-nation address, President Cyril Ramaphosa declared the Department of Public Enterprises dissolution. The policy departments had a direct authority over the Eskom, Transnet, Alexkor, Denel, SAFCOL, and SAA. This would mean that the SOCs within the DPE portfolio will report under the following policy departments:

SOC	Department
Eskom	Department of Electricity and Energy
Alexkor	Department of Mining, Petroleum Resources
SAFCOL	Department of Forestry, Fisheries and Environ-ment
Transnet	Department of Transport
South African Airways	Department of Transport
Denel	Department of Defence and Military Veterans

As a means of attaining better economic growth, state-owned enterprises (SOEs) play a pivotal role in the South African economy, and their optimal operation depends on having strong governance frameworks. The Department, as the former Shareholder Representative for Government, sought to drive improvement and strengthen the financial, commercial and operational performance of the SOEs and its contributions to the South African economy as well as transformation imperatives. The Department shareholder oversight role was undertaken utilising various oversight tools:

Strategic Intent Statement

The SIS is a tool to communicate the Mandate of the SOC signed by the Executive Authority to the Chairperson of the Board.

The SIS is used to communicate the State's broad expectations of the SOC.

Based on intragovernmental consultation with sector depts, National Treasury and the Presidency to achieve alignment on the objectives to be set for the SOE or articulate trade-offs between policy/regulatory requirements, financial performance and customer requirements.

Shareholder Compact

Minister and the SOE Board must conclude a shareholder compact annually (TR 29.2)

Documents the agreed key performance measures and targets to be attained by the SOE.

Usually, negotiation should commence around July so that by September the KPA and KPIs can be agreed and by December of each year the final Shareholder Compact can be presented to the Minister and the Board for signature.

Guideline Framework for Corporate Planning and Shareholders' Compact is available on National Treasury website.

Corporate Plan

SOE submits corporate plan annually to the Minister and National Treasury at least one month before the start of financial year, i.e 28 February (PFMA s52). A draft should be submitted in December for review and comments.

DPE assessment of SOE corporate plans includes looking at whether the plan is complete, consistent with the SOE mandate and targets set out in the Shareholders Compact, there is an implementation plan with clear milestones that is aligned to the strategic objectives, the expected operational and financial performance and the sensitivity of the financial projections to changes in key assumptions.

Borrowing requirements and need for financial support as well as the timing thereof is analysed

Performance Monitoring and Evaluation

DPE reviews SOE's quarterly and annual reports (Quarterly within one month of end of the quarter - TR 29.3 and Annual reports within 5 months of the end of the financial year [31 August] - PFMA s55 & Companies Act s286)

Minister issues Investor Briefs to SOE Boards that highlight, inter alia, emerging SOE performance trends, the need for corrective action in event of any deviation from agreed KPAs and KPIs etc.

SOE AGMs are held once the annual report has been finalised.

SOE are required to report to Parliament from time to time, including responding to Parliamentary Questions (PFMA s65).

Governance and Oversight – SOC GAP

Enhancing oversight of the SOC is crucial to ensure that SOC activities remain aligned to the national priorities. In this regard, the sixth administration undertook the step to improve SOE shareholder management model and strengthen its implementation. The current legislative framework is not sufficient to allow the Department to effectively intervene. In the sixth Administration, the Department worked towards finalising the legislation to regulate the oversight function.

Following the approval by Cabinet Special sitting of 8 December 2023 to submit the National State Enterprises Bill to Parliament, the Bill was submitted on 25 January 2024 to Parliament for processing.

The Presidential State-Owned Enterprises Council (PSEC) submitted the final report to the President in April 2024, reporting on the work that has been carried out since its appointment in 2020. The report includes recommendations for a Centralised Shareholder Management Model establishment, a package of governance reforms and measures to strengthen governance and oversight framework as well as recommendation on which SOEs should be retained, consolidated, and/or disposed of.

The Bill was revived in the 7th Administration. On 11 October 2024, the Department made an introductory briefing to Parliament on the Bill.

SUMMARY OF SHAREHOLDER OVERSIGHT COMPETENCY AREAS

SOC PERFORMANCE OVERVIEW

Reindustrialization of the economy is essential to addressing the issues of rapid growth and unemployment. Accordingly, SOC's infrastructure investment has been used to boost the capacities of current industry and develop new ones in order to raise the amount of local content in the build program. The Department has also collaborated with its SOC to increase the previously disadvantaged in their participation in their value chains.

Since the National Development Plan (NDP) was introduced, the Department has had to review its strategic priorities and its SOC's investment activities to make sure they are in line with the NDP's overall vision. Even though the Department's goals and the SOC's vision are in line with the NDP, it is imperative to continuously evaluate how the Department is contributing to the realisation of the NDP's vision.

ESKOM

Eskom's generation fleet performance has shown significant improvement growing from an energy availability (year to date) of 54 % in March 2024 to 61.37 % by 31 January 2025.

The improvement in energy availability factor (EAF) can be attributed to a significant decrease in unplanned losses (UCLF) reaching 25.50% in January 2025 as compared to 32.62% recorded by end of 2023/24 financial year. Eskom continues to focus on planned maintenance and the planned capacity loss factor (PCLF) increased to 12.60% in January 2025 compared to 11.42% recorded in same period of the previous financial year. Due to this good recovery in the coal fleet South Africa enjoyed uninterrupted supply for more than 10 months.

Koeberg Nuclear Power Plant (KNPP) Unit 2 successfully completed a long refuelling and maintenance outage which focused on the replacement of its three steam generators and preparation of the unit for long-term operation i.e another 20 years. The unit completed the post steam generator replacement commissioning phase mid-January 2025. On 15 July 2024, the National Nuclear regulator (NNR) granted Eskom a licence to continue operating KNPP Unit 1 for another 20 years. Therefore, the Unit 1 licence expiry date has been extended to 21 July 2044. In announcing its decision pertaining Unit 1 the NNR deferred the decision for long-term operation on Unit 2 until later. Now that the Unit 2 had been returned to service in January 2025 and has completed the LTO related work, it is expected that the NNR will announce its decision on Unit 2 once all regulatory processes have been concluded.

Eskom took significant steps to add generation capacity to the grid and strengthen energy security in the country. Kusile Power Station's Unit 5 was commissioned on 30 June 2024, thereby adding 800 MW installed capacity to the national grid. In addition, on the 23 March 2025, Kusile Unit 6 achieved commercial status following a successful synchronisation that commenced on 23 January 2025. The commissioning of Unit 6 brings into commercial operation all six Kusile units and will contribute a total of 4 800MW to the national grid, making it the country's largest power plant infrastructure project.

Medupi Power Station's six units are in commercial operations; however, Unit 4 remain on a long-term outage. Eskom reported that Unit 4 which was initially planned to be operational by September 2024 with the second-hand stator. However, due to delays in strategic sourcing of critical plant spares for the restoration of the unit, first synchronisation is now planned for first quarter of the next financial year.

The improvement in generation plant performance made it possible to minimise the frequency and severity of loadshedding, which has a significant benefit to South Africans. No loadshedding was implemented during the period ended 31 December 2024 since 26 March 2024. Eskom has cautioned that despite relief from load-shedding for more than 10 months, the system remains vulnerable, and the threat of load-shedding is not fully resolved. Unfortunately, since 31 January 2025, the country has experienced short interruptions of load shedding.

The restructuring of Eskom had progressed well over the financial year. The National Transmission Company of South Africa (NTCSA) began trading in July 2024 with existing contracts. Assets, people and systems were transferred from Eskom's Transmission Division to the NTCSA. Furthermore, the Electricity Regulation Act (ERA) was accented to by President Cyril Ramaphosa and the NTCSA is now preparing to for the opening of a wholesale electricity market in South Africa. The NTCSA will play a role as a Market Operator and Independent System Operator as per the ERA. Eskom is now focused on the creation of a new holdings company to create a subsidiary for the Generation business and activities to legally separate the Distribution business.

SAFCOL

As the main provider of sawlog to private businesses, SAFCOL needs to diversify into other sectors and revenue sources due to the sawlog market's volatility and reliance on economic success. SAFCOL created the 50:50 business plan and set out to take advantage of further forestry value chain prospects, such the lucrative timber production sector. This will help SAFCOL increase its earnings in order to meet the government's objective of creating a developmental state.

Although the Department believes that much could have been accomplished, SAFCOL's business remained steady during the period under consideration and was able to sustain itself without government assistance.

A vibrant, just, and sustainable rural community as well as universal food security depend on the development of a dynamic rural economy that capitalises on the latent potential of rural economies. DPE's SOC, SAFCOL, focusses its operations mostly in the nation's rural areas. Mpumalanga, Limpopo, and Northern Kwazulu Natal are rural areas where SAFCOL operates. The SOC has made social compacts with all of the communities around its plantations in order to determine the socioeconomic interventions needed for community uplift.

Delays in the implementation of SAFCOL key strategic projects remains to be a challenge which poses a risk of private competitors taking over plantation forestry assets. The organisation must expedite the execution of its 50:50 plan in order to boost revenue and operational effectiveness through automation. The contributions of timber sales and other processed products support the 50:50 approach. But in order to achieve the intended increase, the Timbadola sawmill improvement must be implemented, which has been delayed for more than ten years.

ALEXKOR

A major change in Alexkor's focus was brought about by the 2007 Land and Mineral settlement between the Government and the Richtersveld Community. The position of Alexkor as a mining business must be taken into account in accordance with the State's developmental goals, as the settlement agreement responsibilities are nearing the end of their implementation.

In order to prevent additional asset deterioration and allow the Government to maximise the value gained from owning these assets, the Department initiated a process to find a suitable operating model during the year under review. The Department commissioned a study to explore this matter, which will help the Government decide how best to use the diamond holdings.

TRANSNET

Transnet plays a pivotal role in South Africa's freight transport and logistics sector, serving as the backbone of the country's supply chain and facilitating economic growth. As a state-owned enterprise, Transnet is responsible for operating and managing the country's rail, port, and pipeline infrastructure through its key divisions: Transnet Freight Rail (TFR), Transnet National Ports Authority (TNPA), Transnet Port Terminals (TPT), Transnet Pipelines (TPL), and Transnet Engineering (TE).

Impact on South Africa's Economy

Transnet's operations are central to the movement of bulk commodities such as coal, iron ore, manganese, and automotive goods, enabling the country's key industries—mining, manufacturing, and agriculture—to remain competitive in global markets. The efficient functioning of Transnet's rail and port network directly influences trade, industrial output, and employment. However, infrastructure inefficiencies and operational challenges have constrained economic growth in recent years. Addressing these challenges is crucial to unlocking South Africa's full trade potential.

Regional and Continental Influence

Beyond South Africa, Transnet's logistics infrastructure serves as a critical trade link for neighbouring SADC (Southern African Development Community) countries, providing transport corridors that connect landlocked nations such as Botswana, Zimbabwe, and Zambia to global markets via South African ports. The company's rail networks also facilitate the movement of goods across the North-South Corridor, reinforcing regional trade integration.

Strategic Importance and Future Outlook

With South Africa's ambitions to become a logistics hub for Africa, Transnet's modernization efforts—such as the expansion of port terminals, rail corridor development, and private-sector partnerships—are essential for improving efficiency and reducing logistics costs. Strengthening Transnet's operations will enhance trade flows, stimulate industrialization, and boost South Africa's GDP while solidifying the country's position as a strategic gateway to Africa.

Transnet's ability to address operational inefficiencies, implement reforms, and invest in infrastructure will determine its long-term impact on national and regional economic growth. The company remains a crucial enabler of South Africa's economic aspirations, with the potential to drive sustainable development and regional connectivity.

Challenges experienced by Transnet in recent years

Transnet received an amount of R2.9 billion as an incentive to return the longstanding locomotives to be released back into service in support of Transnet Freight Rail (TFR)'s operations. From January 2023 to end August 2024, Transnet spent a total of R257.77 million which 8,8% to return the longstanding locomotives back to service. Between April to August 2024 (the first five to six months of the reporting period) – approximately 47 longstanding locomotives were returned to service at a cost of R108,97 million. It is also worth noting that in the previous financial year a total of R130.48 million was spent to return about 89 longstanding locomotives back to service. A total of R2.642 billion (91.1%) remains to return the remaining longstanding locomotives back to service as part of the funding received from the National Treasury. The undersupply of reliable locomotives remains a challenge for Transnet to aggressively move rail friendly cargo in mitigating the negative transport externalities and costs incurred by various tiers of government particularly local authorities.

Transnet has submitted and implemented a Recovery Plan (Phases 1 & 2) in October 2023. Phase 1 of the Recovery Plan from October 2023 until 31 March 2024 was able to improve volume growth from 149mt to 151mt and it is expected to further grow volumes to 170mt by end of March 2025. Phase 2 (1 April 2024 to 31 March 2025) of the Recovery Plan aims to improve operational efficiencies across rail and ports; improved financial sustainability in 18 months starting from October 2023. The plan takes cognizance of other government directives, plans and policies such as the National Rail Policy (NRP) of 2022, the Economic Regulation of Transport of 2023 (ERT), the National Freight Logistics Roadmap, Private Sector Participation (PSP) framework and the National Treasury Guarantee Framework Conditions.

The initiatives undertaken by TFR in unlocking a solution for binding constraint rolling stock or returning of long-standing locomotives back to service to support the operational efficiencies and to meet customer demand in the immediate include the returning of 16 -D45 locomotives with Rolls Royce and, returning of 97 D43 and D44 locomotives back to service is also underway with Wabtec collaborating with Transnet Engineering (TE). Work has commenced and about 3 locomotives have been released by October 2024 and the additional 12 locomotives were released in December 2024 to address commodities that could not be moved due to undersupply of locomotives.

The efficiency of South Africa's strategic container terminals is being severely impacted by equipment breakdowns and poor marine services, leading to delays in ship working hours and prolonged vessel turnaround times. Frequent failures of critical port handling equipment—such as ship-to-shore cranes, rubber-tired gantries, and straddle carriers—reduce operational capacity, leading to port congestion and backlogs.

Additionally, inconsistent marine services, including tugboat unavailability and delays in pilotage, further slow vessel movements, causing ships to remain idle for extended periods. These inefficiencies resulted in higher costs for shipping lines, cargo owners, and exporters, discouraging trade and reducing South Africa's attractiveness as a competitive global logistics hub.

The 2024/25 financial year also saw the acquisition of equipment to assist in improving efficiencies. These include the arrival of the first four of twenty Diesel-Electric Straddle Carriers, the arrival of six hydraulic shore tension units delivered, destined for the Ports of Cape Town and Ngqura and the arrival of fifty new haulers at Ngqura Container Terminal (NCT).

The return of the long-standing locomotives to service is in progress. During the 2024/25 financial year, 85 long standing locomotives were returned to service. These are in addition to the 110 locomotives returned to service from January 2023 to March 2024.

Transnet and the South African Police Services (SAPS) signed a Memorandum of Understanding to strengthen collaborative efforts between Transnet and SAPS in the fight against theft and vandalism of essential infrastructure across Transnet's logistics network. Enhancing security at Transnet's key operations is paramount for maintaining operational efficiency, economic stability and national security.

Transnet continued with its objective of entering into private sector participation projects. Transnet National Ports Authority (TNPA) appointed FFS Tank Terminals (Pty) Ltd as the preferred bidder to acquire, operate, maintain, refurbish, construct and transfer a Liquid Bulk terminal for a 25-year concession period at the Port of Cape Town's Liquid Bulk Precinct. Transnet Freight Rail and Petredec entered into an agreement to enhance LPG distribution in South Africa.

During December 2024, Transnet announced the publication of the Final Network Statement. This marks a significant step towards open access for third party Train Operating Companies (TOCs) wishing to operate trains on its rail network from 2025. Opening access for third party TOCs is a critical step in creating a more efficient, reliable and sustainable rail system that can contribute to economic growth and development.

SOUTH AFRICAN AIRWAYS

South African Airways (SAA) posted good trading results during the third quarter of 2024. December was a good month for SAA with revenue exceeding R1 billion for the first time since SAA restarted operations in September 2021 and with the airline achieving profitability. The increases in revenue were driven by good load factors and frequencies. The good December results were achieved despite a pilot strike which grounded 60% of SAA's flights. The favourable December performance led to good trading results for the third quarter.

In terms of expanding SAA's reach, the Lubumbashi route was launched on 4 November 2024. The current year also saw the first phase of the densification strategy which led to increased frequencies on current routes as SAA took delivery of aircrafts. Extra flights were introduced on the Cape Town, Durban, Mauritius and Perth routes to capitalise on peak demand from December 2024 onwards.

The airlines improved credit profile and operational stability is being noted by the aircraft leasing market. This is important in an industry which is currently experiencing a shortage of aircraft. During the third quarter, SAA took delivery of two Airbus A320 aircraft, further enhancing the airline's available seat capacity and operational efficiency. SAA's fleet has increased from 6 aircraft in September 2021 when SAA resumed operations to the current number of 18 aircraft. Consequently, the number of flights increased by 23.24% from the second to third quarter of the financial year.

Airline operations are undergoing continuous improvements with focus now shifting to stabilising the flight schedule, planning for the retrofit of the cabins of the current fleet and designing service interventions and products that should establish SAA as a leading world-class African airline.

DENEL

The Government strategic intent is anchored on its primary role to support and maintain the Department of Defence's sovereign and strategic industrial defence capabilities in a commercially sustainable manner. The growing geopolitical uncertainties and global security concerns underscore the strategic relevance of Denel to national security.

Notwithstanding this strategic role, Denel's 2022/23 Restructuring Plan is premised on the SOC pursuing operational excellence in accordance with global best practice and accountability. The SOC must grow its revenue base considering the stagnant local defence budget.

Denel has made significant progress in achieving some of key objectives of its 2022/23 Restructuring Plan. As of April 2024, the SOC shrunk its operating division from six to four and reduced its operational space footprint to reduce its fixed cost structure as envisaged by the Restructuring Plan. In addition, the SOC is rolling out capital and information technology investments to boost productivity and resilience of its ICT systems.

The order book cover in 2024/25 was over R4 billion compared to R1.4 billion realised in 2023/24. The order book pipeline is excess of R36 billion. Access to financial instruments and shortage of critical technical skills remain one of the challenges facing the SOC. Denel has however made strides in filling the majority of the management positions that have been vacant for more than three years.

The 2024 Presidential Proclamation making the Minister of Defence the Executive Authority is expected to improve policy and support coordination for the SOC

JUST ENERGY TRANSITION (JET)

Eskom continues to make significant strides in the implementation of its Just Energy Transition (JET), with notable developments across financing, repowering and repurposing initiatives, and stakeholder engagements.

JET Financing: Substantial progress has been made in securing funding for the Accelerating Coal Transition (ACT) initiative. Eskom has engaged various financial institutions and government bodies, with a formal submission scheduled for February 2025. These efforts align with the company's strategy to mobilise financial resources for a sustainable energy future.

Grootvlei Repowering and Repurposing: The Climate-Smart Horti Demo Facility at Grootvlei saw construction commence in November 2024; however, delays were experienced due to a work stoppage by the Local Economic Development Business Forum. Work is expected to resume in January 2025, with completion anticipated by April/May 2025. Additionally, a feasibility study led by the National Business Initiative (NBI) is on track for completion by February 2025, and Eskom is actively exploring ash beneficiation for brick and block manufacturing, contributing to circular economy solutions.

Repowering and Repurposing of Hendrina and Camden: Approved strategies for Hendrina and Camden include socio-economic impact studies, with planned deployment of large-scale solar, wind energy, Battery Energy Storage Systems (BESS), and synchronous condensers. These initiatives are expected to contribute to South Africa's decarbonisation goals while fostering economic resilience in affected communities.

Repowering and Repurposing of Komati: At Komati, the transition to renewable energy is advancing. The BESS (150MW) and PV (30MW) packages were issued to the market and closed on 09 December 2024. Wind technology was ultimately deemed non-viable, leading to an increased PV capacity of 72MWp. On the decommissioning front, the Owner's Engineer transaction was cancelled on 29 November 2024, and rescoping is currently in progress. Meanwhile, repurposing initiatives, including steel tower fabrication, cooling tower repurposing, and transformer manufacturing, are in various stages of implementation. Eskom is also investing in workforce development, with training programs and the establishment of new solar PV training structures.

Stakeholder Engagements: Ongoing engagement with stakeholders remains a cornerstone of Eskom's JET efforts. Multiple meetings and workshops have been conducted with local communities, government bodies, and international delegations to ensure transparent communication, gather feedback, and align JET initiatives with social and economic development priorities.

Eskom remains committed to delivering a just and sustainable transition, balancing energy security with economic development and environmental responsibility.

> *"Eskom continues to make significant strides in the implementation of its Just Energy Transition (JET), with notable developments across financing, repowering and repurposing initiatives, and stakeholder engagements.*

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1 – ADMINISTRATION AND CORPORATE MANAGEMENT

The programme is currently made up of the following sub-programmes: Office of the Director-General/ Management; Security and Facilities Management; Information Management and Technology; Office of the Chief Financial Officer; Human Resources; Communications; Strategic Management and Internal Audit.

Sub-programmes Objectives for Administration and Corporate Management:

Office of the Director-General/Management: provides technical support, enabling Government to optimally exercise governance and performance over the portfolio of State-Owned Companies (SOCs)

Security and Facilities Management: provide a safe, secure environment, internal administration, and facility services to internal customers.

Information Management and Technology: provides information technology services and applications as strategic tools for business enablement, including comprehensive records management, knowledge management, library and information services.

Office of the Chief Financial Officer: provides effective and efficient financial management services to ensure compliance with various legislation, including the Public Finance Management Act, 1999 (Act No 1 of 1999) and Treasury Regulations.

Human Resources: assist line management to implement operational excellence and develop the human capital potential in the Department.

Communications: repositions the DPE as strong shareholder Department; makes the DPE brand relevant and meaningful to ordinary South Africans; impactful media relations and media communication; and improves employee engagement.

Strategic Planning, Monitoring and Evaluation: coordinate, manage and oversee the outcomes-based performance reporting of the Department; implements of performance monitoring and evaluation processes for individual programmes and business units as a mechanism for measuring delivery of our strategic objectives; and reports to various stakeholders.

Internal Audit: Provides independent and objective assurance and consulting internal audit services to add value and improve the Department's operations and assists the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Programme 1: Administration

Outcome, outputs, output indicators, targets and actual achievement

Outcome	Output	Output Indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement	Reasons for deviation
Promote alignment and efficiency across institutional model	Monitor stakeholders' interventions to prevent SOCs' critical infrastructure theft and vandalism	Number of reports on stakeholders' interventions to prevent SOCs' critical infrastructure theft and vandalism	50% of the Corporation agreement milestone was not achieved	Four reports on the interventions to reduce loss of SOEs' infrastructure through theft and vandalism	Four reports on stakeholders' interventions to prevent SOCs' critical infrastructure vandalism and cable theft	Not Achieved Four reports on stakeholders' interventions to prevent SOCs' critical infrastructure vandalism and cable theft were not finalised	None	Due to SOC oversight function transferred to the policy departments, intervention reports were not finalised

Strategy to overcome areas of underperformance

There is not strategy to overcome the underperformance. Due to the configuration of the executive portfolios and departments for the 7th Administration, the SOCs functions were transferred immediately after the pronouncement of the proclamation.

Performance in relation to Standardised Outputs and Output indicators for Sectors with Concurrent functions

None

Linking Performance with budgets

Programme expenditure

Programme Administration	2024/25			2023/24		
	Final	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Ministry	35 472	16 260	19 212	33 804	29 278	4 526
Management	11 328	8 588	2 740	6 132	5 743	389
Communications	37 831	28 905	8 925	37 638	36 951	687
Chief Financial Officer	21 716	17 950	3 766	20 666	20 302	364
Human Resources	30 692	21 816	8 877	23 683	22 827	856
Internal Audit	6 397	3 471	2 926	5 353	5 241	112
Corporate Services	5 737	4 510	1 226	5 234	4 934	300
Office Accommodation	18 198	18 123	75	17 426	17 420	6
Total	**167 371**	**119 623**	**47 748**	**149 936**	**142 696**	**7 240**

Expenditure narrative

Programme 1 spent 71.5% (119.6 million of R167.4 million) of the appropriation. The spending was 28.5% lower than the appropriation. The underspending is due to the transition arrangement arising from the proclamation by The President to transfer SOCs to policy departments.

4.2 Programme 2: SOC Governance Assurance and Performance

Purpose: Provide and enforce SOCs governance, legal assurance, financial and non-financial performance monitoring, evaluation and reporting systems, in support of the shareholder to ensure alignment with government's priorities.

Programme Objectives

Ensure effective shareholder oversight of SOCs by:

- Providing governance and legal systems
- Developing and maintaining shareholder risk profiles and mitigating strategies for Government's SOCs.
- Monitoring, evaluating and reporting on the financial and non-financial performance of SOCs and proposing intervention measures when required.

Sub-Programmes:

- Management comprises the office of the Deputy Director-General, which provides strategic leadership and management of the programmes' personnel.
- Legal – provides external legal services and support, including transaction and contract management support, to sector teams and the commercial activities of SOCs within their portfolio.
- Governance – develops, monitors and advises on legislative, corporate governance and shareholder management systems for the Department and SOCs in its portfolio. The sub-programme develops and implements risk and compliance management guidelines and systems for shareholder risk.
- Financial Assessment and Investment Support – analyses SOCs' capital planning, operational performance, funding of capital programmes and proposed restructuring proposals and advises on appropriate action.

Sub-Programme 2: Governance, Legal Assurance, Risk Profiling and Mitigation

Outcome, outputs, output indicators, targets and actual achievement

Outcome	Output	Output Indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement	Reasons for deviation
Repurpose SOCs, strengthen Governance systems and secure Board stability	Implementation of the Board Evaluation Framework (BEF)	Number of Board Performance Index (BPI) pilot reports produced	SOE Bill not submitted to Cabinet and Parliament	National State Enterprises Bill (NSEB) introduced in Parliament in 2024	Two pilot reports on BPI on two SOCs produced	Not Achieved Two pilot reports on BPI on two SOCs were not produced	Draft terms of reference to appoint the service provider to undertake the pilot were completed.	Owing to the Proclamation 176 of 2024, which transferred the shareholder function of SOCs to their respective policy departments. The department was unable to proceed with the execution of the project.

Strategy to overcome areas of underperformance

There is no strategy to overcome the underperformance. Since the department ceased to exist in accordance with the proclamation, the abrupt transfer of SOCs to the policy department prevented the department from finishing the work, even though it had prepared terms of reference for this task.

Performance in relation to Standardised Outputs and Output indicators for Sectors with Concurrent functions

None

Sub-Programme 2: Financial Assessment and Investment Support

Outcomes, outputs, output indicators, targets and actual achievements

Outcome	Output	Output Indicators	Audited Actual Performance	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement	Reasons for deviation
Improved independent financial sustainability of SOEs	Outlook on SOEs financial position	Number of SOEs quarterly financial reviews conducted	100% assessment compliance reports received	24 quarterly financial reviews conducted	24	22	Two quarterly financial reviews for SAFCOL were not conducted	SAFCOL, quarter two and three reviews were not finalised due to the SOC's failure to submit the report in line with Section 29.3.1 of the PFMA
Improved independent financial sustainability of SOEs	Assess alignment of SOC plans to key priorities outlined in Strategic Intent Statement (SIS) and Shareholder Compact (SHC)	Number of Corporate Plans reviewed	100% assessment compliance reports	6	6	6	None	None

Outcome	Output	Output Indicators	Audited Actual Performance	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement	Reasons for deviation
Improved independent financial sustainability of SOEs	Compliance on Eskom's debt relief conditions Eskom debt	Number of reports on monitoring compliance to conditions related to Eskom debt relief package	Report on preferred option to resolve Eskom debt was finalised	Four quarterly reports on monitoring compliance to conditions related to Eskom debt relief package	Four quarterly reports on monitoring compliance to conditions related to Eskom debt relief package	Achieved Four quarterly reports on monitoring compliance to conditions related to Eskom debt relief package completed	None	None

Strategy to overcome areas of underperformance

SAFCOL did not submit the quarterly report as per the legislation. The noncompliance to be addressed by the policy department in the new financial year.

Performance in relation to Standardised Outputs and Output indicators for Sectors with Concurrent functions

None

Sub- Programme Legal and Governance	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	3 409	3 209	200	2 929	2 914	15
Legal	23 516	10 967	12 550	33 003	32 029	974
Governance	17 557	12 187	5 370	14 248	14 198	50
Financial Assessment and Investment Support	17 918	15 234	2 683	12 918	12 913	5
Total	**62 400**	**41 597**	**20 804**	**63 098**	**62 054**	**1 044**

Expenditure narrative

Programme 2 spent 66.7% (R41.5 million of R62.4 million) of the appropriation. The spending was 23.3% lower than the appropriation. The underspending was due to transition arrangement arising from the proclamation by The President to transfer SOCs to policy departments.

Programme 3: Business Enhancement, Transformation and Industrialisation

Purpose: Provide sector oversight of SOCs by advancing industrialization, transformation, intergovernmental relations and international collaboration services; and support the Shareholder to strategically position and enhance the operations of SOCs.

Programme Objectives

To contribute to the enhancement of the performance of SOCs on an ongoing basis by:

- Conducting reviews, research and modelling of pipelines and new business enhancement opportunities within the SOCs.
- Assessing operations of SOCs and developing mitigating instruments in conjunction with policy departments, regulatory bodies and industry.
- Conducting research, modelling job creation and transforming instruments for SOCs to inter alia inform compact alignment imperatives.

The sub-programmes:

Business Enhancement Services: develops and coordinates the implementation of SOCs strategies to leverage localisation programmes; provides intergovernmental coordination and support to programmes and SOCs in relation to economic development programmes, as agreed with provincial and local governments; maintains a register of commitments made by SOCs and lobbies for the implementation of special programmes focusing on skills development, transformation and the youth.

Energy Resources – exercises shareholder oversight over Eskom, Alexkor and SAFCOL.

Research and Economic Modelling – conducts cost benefit analysis reviews on business enhancement and transformation initiatives and develops economic sustainability models for proposed work packages and projects.

Transport and Defence – exercises shareholder oversight over Transnet, South African Express, South African Airways and Denel.

Sub-Programme 3: Business Enhancement and Services

Objectives

- Initiates and coordinates specialists research projects to model the short-medium-and long-term business enhancement prospect
- Develops and coordinates the implementation of SOCs' group pipeline business enhancement strategies and instruments
- Develops business enhancement models for the clusters and coordinates the adoption processes
- Initiates and coordinates specialist research projects to define business enhancement inhibitors for the SOC Groups
- Liaises with policy and regulatory institutions to mitigate the impact of the identified business inhibitors
- Provides technical inputs to influence alignment of the regulatory regime impacting on the operations of the SOC Groups
- Provide technical advisory services to support SOCs compact alignment processes and facilitate their development/adoption

Outcome	Output	Output indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations
Institutionalisation of DDM in the Department and SOEs	Promote participation, contribution and implementation of DDMs	Number of DDMs technical structures that DPE participated in	None	Participation in 2 DDM technical structures Ngaka Modiri Molema District and City of Tshwane Metro	Participation in two DDMs technical structures	Not achieved There was no participation in two DDMs technical structures	None	Participation in two assigned DDM technical structures were not achieved following the 2024 National Elections and DPE was not allocated Ministry.

Strategy to overcome areas of underperformance

There is no strategy to overcome the underperformance. The target was based on the support to be afforded to Political Champions as guided by DDM Implementation Framework.

Performance in relation to Standardised Outputs and Output indicators for Sectors with Concurrent functions

None

Sub-programme 3: Energy and Resources

Purpose: responsible for the oversight of three SOCs, namely Eskom, Alexkor and SAFCOL

Eskom SOC Limited

Supports the security of supply by:

- Examining on an ongoing basis Eskom's maintenance plans, operational practices, electricity generation and distribution efficiency, as well as its reserve margin.
- Ensuring on an ongoing basis that Eskom supplies electricity by monitoring, evaluating and engaging Eskom on system security and the new Build Programme to alleviate constraints.
- Facilitating on an ongoing basis engagement between Eskom and other spheres of government to address municipal debt.
- Monitoring on an ongoing basis the rollout of the capital investment programme to ensure that it is delivered on time, is of quality appropriate quality and within budget.

Alexkor SOC Limited

- Ensure increased diamond production and promote the financial stability of the joint venture by monitoring the implementation of Alexkor's strategy to promote financial sustainability and monitoring the pooling and sharing joint venture turnaround strategy, on a quarterly basis.
- Ensure collaboration and alignment of the two SOCs, to provide a clear indication to market by developing a collaborative model with the African Exploration Mining and Finance Corporation over the medium-term.
- Contributing to developing sustainable economic activities linked to the agricultural sector by continuously supporting and coordinating the joint efforts of the Department of Public Enterprises (DPE) with the Department of Mineral Resources and Energy (DMRE) and the Department of Agriculture, Rural Development and Land Reform (DARDLR) to stabilise the Richtersveld region and make use of revenues.

SAFCOL SOC Limited

- Oversight of the implementation of the land restitution strategy for claims over the Komatiland Forests Land Claims Settlement Model, to ensure meaningful benefits to the successful land claimants over the medium-term.
- Oversight of the implementation of SAFCOL's corporate strategy over the medium-term.
- Engagement with DARDLR, the Department of Forestry, Fisheries and Environment (DFFE), and the Department of Trade Industry Competition (DTIc) to ensure the warehousing of the shares held by SAFCOL and shares in the four privatised forestry companies.
- Reduction of reliance on the sawlog market by supporting the development of the new business strategy over the medium-term.

Outcome	Output	Output indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations
Supply of energy secured	Implementation of the Recovery Plan	Number of progress reports on implementation of the Recovery Plan	Implementation of Eskom's interventions to increase energy availability to above 70% by 2022/23 was monitored	EAF increased to 57% by 2023/24	Four progress reports on implementation of the Recovery Plan	Achieved Four progress reports on implementation of the Recovery Plan completed	None	None
	Eskom restructured	Number of reports on the progress of the NTCSA to trade	Corporatisation of Distribution and Generation companies not finalised	National Transmission Company established and operationalised by June 2023	Two progress reports on the progress of the NTCSA to trade	Achieved Two progress reports on the progress of the NTCSA to trade were finalised	None	None
Improved Governance and Accountability	SHCs signed	Number of SHC's signed per year	Eskom SHCs not signed	Eskom SHCs not signed	One 2025/26 Eskom SHC signed	One 2025/26 Eskom SHC not signed	None	The transfer of SOCs oversight role to policy departments affected the finalisation of the Shareholder Compacts.
Improved independent financial sustainability of SOEs	Alexkor Optimal Structure	Number of progress reports on consultations with stakeholders on the proposed role of Alexkor	Four progress reports on the implementation of the optimal operating structure were produced	Alexkor optimal operating structure study conducted	Two progress reports on the consultations with stakeholders on the proposed role of Alexkor	Not achieved Two progress reports on the consultations with stakeholders on the proposed role of Alexkor not completed	None	Consultation with relevant stakeholders could not be undertaken due to the transfer of oversight of Alexkor to DMRE in August 2024.
Improved Governance and Accountability	SHCs signed	Number of SHC's signed per year	Alexkor SHCs not signed	Alexkor SHCs not signed	One 2025/26 Alexkor SHC signed	One 2025/26 Alexkor SHC not signed	None	The transfer of SOCs oversight role to policy departments affected the finalisation of the Shareholder Compacts.

Outcome	Output	Output indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations
Improved operational efficiency of SOEs	Implementation of the identified Strategic projects to diversify products and enhance operations of SAFCOL	Number of progress reports on strategic projects to diversify products and enhance operations of SAFCOL	Four progress reports on SAFCOL's Timbadola re-investment projects	Feasibility study of State forestry assets in Mpumalanga conducted	Two progress reports produced on identified strategic projects to diversify products and enhance operations of SAFCOL	Achieved Two progress reports produced on identified strategic projects to diversify products and enhance operations of SAFCOL	None	None
Improved Governance and Accountability	SHCs signed	Number of SHC's signed per year	One SHCs signed (SAFCOL)	One SHCs signed (SAFCOL)	One 2025/26 SAFCOL SHC signed	One 2025/26 SAFCOL SHC not signed	None	The transfer of SOCs oversight role to policy departments affected the finalisation of the Shareholder Compacts.

Strategy to overcome areas of underperformance

There is no strategy to overcome the underperformance due to the abolishment of the department. The non-performance of targets will be addressed in the new financial year by the respective policy departments.

Performance in relation to Standardised Outputs and Output indicators for Sectors with Concurrent functions

None

Sub-programme 3: Transport and Defence

The sub-programme is responsible for the following SOCs:

Transnet SOC Limited

Provides oversight on Transnet's implementation of the Market Demand Strategy (MDS) to optimise the economic impact of infrastructure investment on the economy by monitoring the roll-out of Transnet's Capital Expenditure Programme, quarterly and annually, to assess any significant deviations from corporate plans and potential cost overruns and time delays on major capital projects.

South African Express Airways SOC Limited

- Develops a strategic proposal for the optimal group structure of the State-owned airlines to assist in rationalising the structure of these airlines as well as to unify their operations.
- Facilitate the review of commercial arrangements as and when required to support the financial position of the company to ensure its long-term financial and commercial sustainability.

Denel SOC Limited

- Oversee the development of a long-term growth strategy to achieve financial stability and the growth of manufacturing export products on an ongoing basis

- Leverage off the company's advances in manufacturing capability through securing work packages in support of the industrialisation drive aligned with the Industrial Policy Action Plan (IPAP) over the medium term.
- Ensure Denel's ongoing sustainability by monitoring the implementation of the multi-year turnaround plan over the medium-term
- Ensure proper balance between the need to develop indigenous capabilities in response to national defence equipment requirements and the need to cooperate and collaborate with international armaments companies in the context of high development costs and the importance of having access to selected markets on an ongoing basis.

Outcomes, outputs, output indicators, targets and actual achievements table

Outcome	Output	Output indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations
Increase access to an affordable and reliable transport system	Improved movement of rail friendly commodities from road to rail by Transnet Freight Rail (TFR)	Number of assessment reports on rail addressable market share versus customer willingness to move to rail	10% improvement of rail friendly commodities moved from road to TFR, not less than 2,12 mt	10% year-on-year increase in rail volumes	One assessment report on rail addressable market share versus customer willingness to move to rail	Achieved One assessment report on rail addressable market share versus customer willingness to move rail	None	None
	Facilitate transition from road freight to rail and participation of private sector	Number of assessment reports on rolling stock in identified corridors in lien with Transnet's Recovery Plan	Four quarterly reports on progress on the investment programme in rolling stock and rail infrastructure	Idle locomotives (long standing) returned to service by 31 October 2023 (in line with Transnet's turnaround plan)	One assessment report on rolling stock in identified corridors in line with Transnet's recovery Plan	Achieved One assessment report on rolling stock in identified corridors in line with Transnet Recovery Plan	None	None
Increase access to an affordable and reliable transport system	Develop and implement Transnet Roadmap	Number of reports on the reform actions and deliverables of Roadmap for the Freight Logistics in South Africa	None	DPE Transnet Roadmap by June 2023 finalised and approved	Report on the 2024/25 FY reform actions and deliverables of Roadmap for the Freight Logistics in South Africa	Achieved Report on the 2024/25 FY reform actions and deliverables of Roadmap for the Freight Logistics in South Africa concluded	None	None
	Private Sector Partnerships (PSPs) concluded	Number of assessment reports on PSPs opportunities pursued	Out of 13 transactions identified for PSPs in ports and freight rail, only 5 transactions	Durban Container Terminal (DCT) and Nqgura Container Terminal (NCT) partnership transactions concluded	One assessment report on PSPs opportunities pursued	Achieved One assessment report on PSPs opportunities pursued was concluded	None	None
Improved governance and accountability	SHCs signed per year with SOCs	Number of SHCs signed per year	2023/24 SHC not signed (Transnet)	One 2024/25 SHCs signed (Transnet)	One 2025/26 SHC signed (Transnet)	Not Achieved One 2025/26 Transnet SHC not signed	None	None

Outcome	Output	Output indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations
Improved operational efficiency of SOEs	Assess the implementation of Denel's 2022/23 restructuring plan	Number of reports assessing the implementation of Denel's 2022/23 restructuring plan	None	Denel's restructuring finalised	Four assessment reports on the implementation of Denel's 2022/23 restructuring plan	Achieved Four assessment reports on the implementation of Denel's 2022/23 restructuring plan completed	None	None
Improved Governance and Accountability	SHC's signed per year with SOCs	Number of SHCs signed per year	One 2023/24 SHC signed (Denel)	2024/25 SHC signed (Denel)	One 2025/26 Denel SHC signed	Not achieved One 2025/26 Denel SHC not signed	None	The transfer of SOCs oversight role to policy departments affected the finalisation of the Shareholder Compacts.
	SHC's signed per year with SOCs	Number of SHCs signed per year	2023/24 SHC not signed (SAA)	2024/25 SHC signed (SAA)	One 2025/26 SAA SHC signed	Not signed One 2025/26 SAA SHC not signed	None	The transfer of SOCs oversight role to policy departments affected the finalisation of the Shareholder Compacts.

Strategy to overcome areas of underperformance

There is no strategy to overcome the underperformance since the department was abolished. The finalisation of the 2025/26 Shareholder Compacts will be dealt with in the new financial year by the policy departments.

Performance in relation to Standardised Outputs, and Output indicators for Sector with concurrent functions

None

Sub-Programme 3: Research and Economic Modelling

The sub-programme is responsible for the following:

- Economic modelling – Appropriate macroeconomic modelling and research to enhance links between industrial policy, macroeconomic policy and the role of SOCs in economic development. To conduct socio-economic impact assessment as a result of SOCs' economic activities.
- Research modelling – conduct topical research to inform the development of policies and strategies.

Objectives

- To conduct cost benefit analysis reviews of proposed business enhancement and transformation initiatives.
- To develop economic sustainability models for proposed work packages and projects.

Outcomes, outputs, output indicators, targets and actual achievements table

Outcome	Output	Output indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations
Just transition to low carbon economy	Development and implementation of a Just Energy Transition (JET) Framework in collaboration with Eskom	Number of progress reports on the implementation of "Just" Energy Transition Framework	Four monitoring reports on the implementation of the JET Framework 150MW PV EIA completed	Komati Agrivoltaic commissioned, and training centre operationalised	Four progress reports on the implementation of "Just" Energy Transition Framework	Not achieved Three progress reports on the implementation of "Just" Energy Transition Framework were not	One progress report on the implementation of the "Just" Energy Transition Framework was completed	Three progress reports could not be finalised due to the transfer of function to the policy department.

Strategy to overcome areas of underperformance

There is not strategy to address the underperformance. The functions has been transferred to the to the policy department.

Performance in relation to Standardised Outputs, and Output indicators for Sector with concurrent functions

None

Programme expenditure

Sub-Programme: Business Enhancement	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Business Enhancement Services	21 175	18 881	2 294	21 670	18 948	2 722
Energy Resources	25 093	10 604	14 489	14 985	13 488	1 497
Transport and Defence	13 753	10 020	3 733	17 957	16 009	1 948
Research and Economic Modelling	6 698	5 520	1 178	7 631	5 204	2 427
Total	**66 719**	**45 025**	**21 694**	**62 243**	**53 649**	**8 594**

Expenditure narrative

Programme 3 spent 67.5% (R45 million of R66.7 million) of the appropriation. The spending was 32.5% lower than the appropriation. The underspending was due to the transition arrangement arising from the proclamation by The President to transfer SOCs to policy departments.

5. TRANSFER PAYMENTS

5.1 Transfer payments of Public Entities

The Department did not make any transfer payments to any Public Entity.

5.2 Transfer payments to all organisations other than Public Entities

There were no transfer payments made to any organisation.

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

There were no conditional grants and earmarked funds paid.

6.2 Conditional grants and earmarked funds received

There were no conditional grants and earmarked funds received.

7. DONOR FUNDS RECEIVED

There were no donor funds received.

8. CAPITAL INVESTMENT

There were no capital investments in the 2024/25 financial year.

PART C
GOVERNANCE

1. RISK MANAGEMENT

During the 6th Administration, the Department recognizes that effective risk management and governance practices are integral to harnessing opportunities and addressing risks relating to the SOCs programme development. The departmental plans were instituted to facilitate improvement and to be more responsive toto recommendations issued by the internal and external service providers.

INTERNAL CONTROL

In pursuit of embedding compliance culture within the department, the mandate of the Risk Unit is to ensure that the work of the Compliance function is subjected to oversight scrutiny through quarterly compliance risk reporting to the Audit and Risk Committee. The plan to enhance resilient control environment for 2024/2025 included, inter alia, development of governance documents for the compliance function to foster accountability, enhance transparency and facilitate better risk management. However, with the issuance of the Presidential Proclamation on 27 August 2024, the department's authority over its SOCs was abrogated, thus bringing an abrupt halt to planned projects. This resulted in realignment of departmental priorities with the focus being on reconfiguration of the department, managed through the NMOG process. To this end, SOC oversight governance was rendered defunct thus limiting the department's ability to comply with the PFMA on oversight mandate. Internal governance remained albeit with evident decline in performance owing to aborted projects leading to underspending, among others. During this period, the department continued to comply with the regulatory universe, however with confinement to legislative requirements applicable to the work of the NMOG committee. The department did not incur any non-compliance during the period under review.

2. FRAUD AND CORRUPTION

The Department, through the Minister as a shareholder of the SOCs, is vested with the responsibility of implementing the recommendations of the Commission of Inquiry into allegation of State Capture ("the Commission"), as mandated in the Commission's report. In executing the said mandate, the department made referrals to law enforcement agencies and professional bodies, thus leveraging on the pillars available to the department in holding former SOC directors implicated in acts of malfeasance perpetuated against the department's SOCs to account. During the period under review, the department monitored the progress of the referred cases and continued to provide support to the aforementioned authorities through collaboration with the view to avert duplication of efforts of enforcement initiatives; and coordination of evidentiary material, that is material to sanctioned investigations. The collaboration efforts included putting in place transitional arrangements for effective preservation and coordination of information. To this end, relevant stakeholders have been identified to serve central points for provision of state capture related records to the relevant authorities post abolishment of the department.

The Department continued to raise awareness of the whistleblowing hotline utilised as a mechanism to report fraud and corruption. The department received two (2) whistle-blowing incident reports which were referred to relevant SOCs for investigation. However, the issued proclamation hindered report on progress owing to the abrogation of department's authority over its former SOCs.

The following is a summary of statistics relating to anti-corruption and fraud prevention initiatives concerning the affairs of the department.

Director Delinquency proceedings

The department has to date launched seventy-one (71) delinquency proceedings with the Companies and Intellectual Property Commission (CIPC). The detailed analysis of numerical data, categorised according to relevant SOCs and referral dates, is displayed in the table below.

No.	SOC	No. of cases	No. of cases re-ferred to the CIPC	Status
1.	Eskom	13	13	Investigation in pro-gress
2.	Transnet	25	25	Investigation in pro-gress
3.	Denel	10	10	Investigation in pro-gress
4.	Alexkor	22	22	Investigation in pro-gress
5.	SAA	1	1	Investigation in pro-gress

DPE Referrals to Professional Bodies

Parallel to CIPC referrals, DPE simultaneously referred sixty (60) former SOC directors implicated in the Commission's report to professional bodies for possible breaches of respective profession's code of conduct.

The detailed status analysis categorised according to relevant SOCs, is displayed in the table below.

No.	Professional body	Status
1.	SAICA	All eighteen (18) cases were reviewed and closed due to lack of prima facie evi-dence. Reinstatement thereof will be subject to favourable investigations outcomes by law enforcement agencies.
2.	IRBA	Jurisdiction was confirmed on three (3) cases. Collated evidentiary material re-quire supplementary evidence from law enforcement agencies.
3.	ECSA	Jurisdiction was confirmed on six (6) cases. Matter is pending investigation by ECSA.
4.	HPCSA	Matter closed due to lack of jurisdiction (membership lapsed in 2006).
5.	LPC	Jurisdiction was confirmed on ten (10) cases. Co-ordinated provision of requested evidentiary material. Arrangements in place for possible joinder of DPE complaints with future SIU referrals.

Anti-Corruption and Fraud Prevention Hotline

The detailed status analysis categorised according to relevant SOCs, is displayed in the table below.

Name of SOC	Reference	Allegation category	Complaint medium	Status
ESKOM	DPE 14/05/2024	Corruption	Hotline	Assessment completed. Referred to Eskom for investigation.
TRANSNET	DPE 04/04/2024	Corruption	Hotline	Assessment completed. Forensic Investigation in progress. Progress on status hampered by the issued proclamation.

3. MINIMISING CONFLICT OF INTEREST

To inculcate an ethical culture within the department, the department, inter alia, embarked on training awareness initiatives aimed at capacitating non-SMS members on the financial disclosure framework and the ramification for non-compliance therewith. The financial disclosure framework is a legal and policy framework that mandates public service officials to disclose financial interests to prevent conflicts of interest.

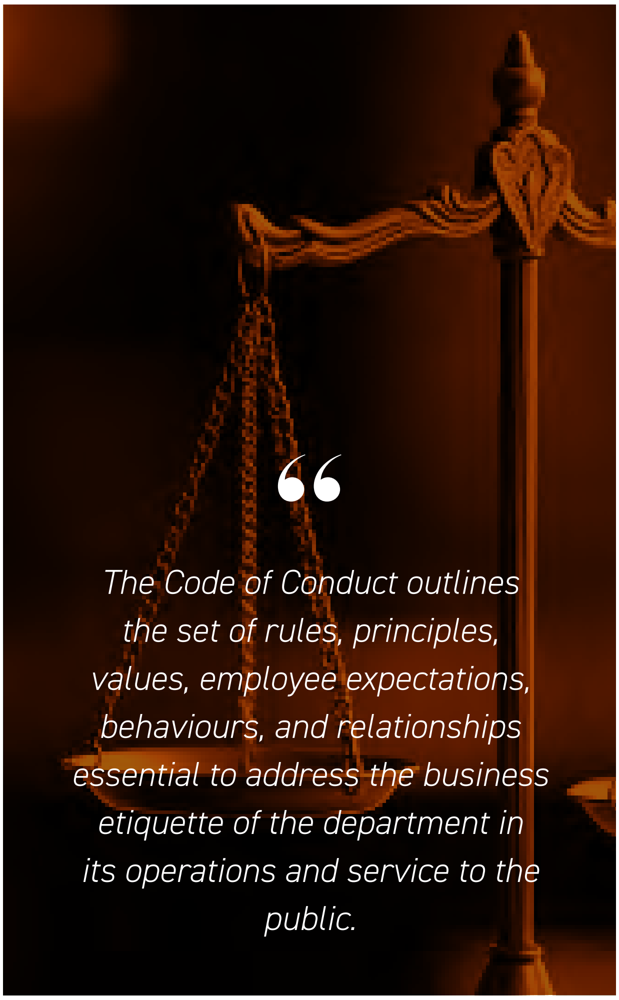
In the period under review, the department achieved 100% compliance with 2023/2024 financial disclosure requirements for both SMS and ASD categories. In instances where partial disclosures on directorship were detected, section 30 application forms were issued to enable conflict of interest assessment and management thereof. The department further manages conflict of interest through the gift register which records declared gifts and employees are sensitised of the applicable threshold and all other gift related requirements as regulated.

4. CODE OF CONDUCT

The Department continued to implement the Code of Conduct in line with the Public Service Regulations, 2016. Any breaches to the Code of Conduct were dealt with in line with the guidelines on labour relations and disciplinary procedures. The Code of Conduct outlines the set of rules, principles, values, employee expectations, behaviours, and relationships essential to address the business etiquette of the department in its operations and service to the public. It remains mandatory for officials to adhere and advocate the set standards of behaviour in which, by law, failure to adhere may translate into a breach of contract that may attract disciplinary processes.

5. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department ensured that the Occupational Health and Safety Act (OHSA) is followed in order to foster a healthy workplace and advance health and safety. In accordance with Section 8 of the Occupational Health and Safety Act 85 of 1993 and associated with the implementation of the SHERQ Management Policy, the Department proceeded with internal evaluations to identify possible hazards to occupational health and safety.



6. PORTFOLIO COMMITTEE

Date of the meeting	Matters raised	How did the Department address these matters
Not Applicable	Not Applicable	Not Applicable

7. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

8. PRIOR MODIFICATION TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clear-ing/resolving the matter
The Department had an unqualified audit with find-ings	2024/25 financial year	No action in place because the Department ceased to exist as at 31 March 2025

9. INTERNAL AUDIT UNIT

The Internal Audit Activity (IAA) assists the department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. IAA is responsible for evaluating the adequacy, effectiveness and efficiency of the Department's governance, risk management and control processes. The IAA provides the Director-General (DG) and ARC with independent, objective assurance and consulting services to ensure the Department achieve its objectives. The purpose, authority and responsibility of IAA is stated in the Internal Audit Charter, which is endorsed by the DG and approved by the ARC.

The Chief Audit Executive reports administratively to the DG and functionally to the ARC. The objective of the IAA is to provide independent, objective assurance and consulting services to add value and improve the Department's operations. In the absence of an internal control unit in the department, IAA played a crucial role of also coordinating the work of the Auditor General of South Africa (AGSA) in the Department ensuring that requests for information are routed to responsible units for response and actioning within three days.

10. INTERNAL AUDIT

10.1 Audit and Risk Committee objective and key activities

- Under the leadership and guidance of the ARC, the IAA assists the Department with accomplishing its objectives, by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.
- For the year under review the developed a comprehensive risk based three-year rolling plan, incorporating an annual plan that was approved by the ARC. IAA executed the risk-based audit engagements as per the approved internal audit annual plan. Included in areas audited are Performance Information, Financial management Information and related Technology (ICT) reviews, follow up reviews as well as operational reviews.
- The following audit engagements were conducted.

a. High Level Review of the Draft 2022/23 Annual Financial Statements.
b. Audit of Performance Information (Quarter 4 of 22/23).
c. Annual performance report (APR) review (22/23).
d. Audit of Performance Information (Quarter 1 of 23/24).
e. Supply Chain Management Review.
f. Enterprise Risk Management Review as well as risk maturity validation.
g. Audit of Performance Information (Quarter 2 of 23/24).
h. Audit of Performance Information (Quarter 3 of 23/24).
i. SOC Governance/Legal Assurance Review.
j. Interim Financial Statements review.
k. Network vulnerability assessment review and
l. Cyber Security Review.
m. Follow-up on AGSA findings (22/23) and
n. Follow-up on Internal audit findings (22/23).

- Attendance of Audit Committee meetings by Audit Committee members

The table below provides relevant information on the Audit and Risk Committee members:

Name	Qualifications	Internal/ external	Date appointed	Date Resigned	No. of Meetings attended
Mr. Sathie Gounden (Current Chairperson)	- B.Compt - Higher Diploma in Accounting - Chartered Accountant CA(SA) - Chartered Director CD(SA) - Certificate in Forensic Accounting and Fraud - Graduate of the Chartered Secretaries - Executive Leadership Development Institute Accredited Mediator	External	10 October 2023 (Re-appointment)	N/A	6/6
Mr. Nala Mhlongo	- Chartered Global Management Accountant (CGMA) - Chartered Management Accountant (CMA) - Chartered Accountant CA(SA) - Advance Taxation Certificate - B. Com - B. Com (Hons)	External	10 October 2023 (Re-appointment)	N/A	6/6
Ms Margaret Phiri	- Chartered Accountant CA(SA) - CTA/B.Compt Honours - B. Com Accounting	External	19 October 2020	Contract ended. 29 September 2023	4/6
Adv. Shami Kholong		External	19 October 2020	Contract ended. 29 September 2023	4/6
Adv. Oliver Josie	- BA Policing Science - BPROC - LLB - LLM (master's in law) - MBL (master's in business leadership)	External	20 November 2023	N/A	2/6

Name	Qualifications	Internal/ external	Date appointed	Date Resigned	No. of Meetings attended
Mr. Stanley Ngobeni	- B. Com - B. Com Hons - MBA - MPHIL - Higher Diploma in Computer Auditing - MCom in international and Domestic Tax - Master's in public administration	External	20 November 2023	N/A	2/6

11. AUDIT AND RISK COMMITTEE REPORT

11.1 INTERNAL AUDIT UNIT

The Internal Audit Activity (IAA) assists the department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. IAA is responsible for evaluating the adequacy, effectiveness and efficiency of the Department's governance, risk management and control processes. The IAA provides the Director-General (DG) and ARC with independent, objective assurance and consulting services to ensure the Department achieve its objectives. The purpose, authority and responsibility of IAA is stated in the Internal Audit Charter, which is endorsed by the DG and approved by the ARC.

The Chief Audit Executive reports administratively to the DG and functionally to the ARC. The objective of the IAA is to provide independent, objective assurance and consulting services to add value and improve the Department's operations. In the absence of an internal control unit in the department, IAA played a crucial role of also coordinating the work of the Auditor General of South Africa (AGSA) in the Department ensuring that requests for information are routed to responsible units for response and actioning within three days.

2. INTERNAL AUDIT AND AUDIT COMMITTEES

Provide a brief description of the following:

I. Under the leadership and guidance of the ARC, the IAA assisted the Department with accomplishing its objectives, by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.

II. For the year under review the developed a comprehensive risk based three-year rolling plan, incorporating an annual plan that was approved by the ARC. IAA executed the risk-based audit engagements as per the approved internal audit annual plan. Included in areas audited are Performance Information, Financial management Information and related Technology (ICT) reviews, follow up reviews as well as operational reviews.

III. The following audit engagements were conducted.

a. High Level Review of the Draft 2023/24 Annual Financial Statements.
b. Audit of Performance Information (Quarter 4 of 2023/24).
c. Annual performance report (APR) review (2023/24).
d. Audit of Performance Information (Quarter 1 of 2024/25).
e. Audit of Performance Information (Quarter 2 of 2024 /25).
f. Audit of Performance Information (Quarter 3 of 2024/25).
g. Follow-up on AGSA findings (2023/24) and
h. Follow-up on Internal audit findings (2023/24).

IV. Attendance of Audit Committee meetings by Audit Committee members

The table below provides relevant information on the Audit and Risk Committee members:

Name	Qualifications	Internal/ external	Date appointed	Date Resigned	No. of Meetings attended
Mr. Sathie Gounden (Chairperson)	Chartered Director (SA) Chartered Accountant (SA) BCompt Higher Diploma in Accountancy	External	10 October 2023 (Re-appointment)	N/A	7/8
Mr. Nala Mhlongo	Chartered Global Management Accountant (CGMA) Chartered Management Accountant (CMA) Chartered Accountant (SA) BCom BCom Hons	External	10 October 2023 (Re-appointment)	N/A	8/8
Adv. Oliver Josie	- Chartered Director (SA) - BA - BProc - LLB - LLM - MBL	External	20 November 2024 (Re-appointment)	N/A	8/8
Mr. Stanley Ngobeni	-BCom -BCom Hons -MBA -MPhil	External	20 November 2025 (Re-appointment)	N/A	8/8

11. 3 AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) ("the Committee") was established as an independent statutory Committee in terms of the Public Finance Management Act (PFMA). The Committee functioned within approved Terms of Reference (ToR) and complies with relevant legislation, regulation, and corporate governance codes, including King IV. The Committee submits this report for the financial year ended 31 March 2025, as required by the Treasury Regulations and the PFMA. The Committee consists of four independent members and was chaired by Mr. Sathie Gounden. The Committee was required to meet at least four times per annum as per its approved ToR. Eight meetings, including special meetings were held for the financial year ended 31 March 2025.

The ARC was satisfied that it has complied with its responsibilities as outlined in the PFMA and Treasury Regulations.

The Committee also reports that it had adopted and reviewed its formal ToR in the Audit Committee Charter and had discharged all its responsibilities as contained therein. During the year under review, the Committee met with the Executive Authority (EA) and had raised issues and expressed concerns on areas that needed attention.

The President signed a proclamation which stated the DPE would cease to exist on 31 March 2025 and that the administrative power and functions entrusted in the DPE would be transferred to the respective line-function Ministries and Departments. The Minister responsible for Planning, Monitoring and Evaluation (DPME) would act as the Executive Authority of the DPE until the human and financial resources were transferred. The National Macro Organisation of Government Process (NMOG) was responsible for the transferring of the functions to the various respective Ministries and Departments.

Effectiveness of Internal Control systems

The PFMA requires the Accounting Officer (AO) ensures that the Department has, and maintains effective, efficient and transparent systems of financial management, risk management and internal control. The Committee reviewed the effectiveness of internal controls and provided oversight over risk management and compliance. Internal Audit evaluated internal controls in order to determine their effectiveness and efficiency, and identified recommendations for enhancement and improvement. The findings were brought to the attention of the Department, which presented an action plan to mitigate the identified risks. Through the analysis of the audit reports and engagement with the Department, the Committee reports that the system of internal controls for the year under review were adequate and marginally effectively.

The quality of the in-year (monthly/quarterly) management reports

The Committee had:

a. Reviewed the quarterly financial management and performance reports submitted to National Treasury (NT) in terms of the PFMA and Treasury Regulations.
b. Reviewed the policies and procedures to ensure compliance with applicable laws and regulations.

The Committee was satisfied with the quality of the in-year reports that were presented at the Committee meetings.

Internal Audit

Internal Audit provided the Committee and Management with assurance that the internal controls were appropriate and effective. This was achieved through a risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The Committee was satisfied that Internal Audit had discharged its functions objectively, with independence, and in compliance with its Charter. The Committee was concerned with capacity constraints within the Internal Audit department which resulted in the coverage plan not been fully audited. As the Department staff and information were not available due to staff playing a dual role (at DPE and the receiving Departments), it impacted on Internal Audit operations and delivery.

Risk Management

The Committee was responsible for the oversight of the entity's risk management activities. Strategic and operational risk assessments were conducted by Management for the year under review.

The Committee had reviewed the risk management process on a quarterly basis, had made recommendations for the improvements thereof, and was satisfied with the progress made and recommended certain improvements. The risk maturity validation assessment has been conducted during the year under review. The Committee was largely satisfied with the risk Management process. However, it was of concern to the ARC that emerging risks were not identified and mitigated during the NMOG process, this negatively impacted the control environment and the operations of the DPE.

Evaluation of Annual Financial Statements (AFS)

The Audit and Risk Committee had:

a. Reviewed and discussed the AFS with the AGSA and the AO,
b. Reviewed the AGSA's Management Report and Management's response thereto,
c. Reviewed changes in accounting policies and practices,
d. Reviewed the entity's compliance with legal and regulatory provisions, and
e. Reviewed significant adjustments resulting from the audit.

National Macro-Organisation of Government (NMOG)

The Committee reviewed the reports from NMOG during the year under review. The ARC was not entirely satisfied with the workings of NMOG as there were delays in reporting, inadequate transitional planning, weak coordination with stakeholders, inadequate financial oversight and lack of accountability.

Auditor-General of South Africa (External Auditors)

The Committee had reviewed the entity's implementation plan for audit issues raised in the prior year, and was satisfied that the matters previously identified had been adequately resolved. The ARC also monitored the implementation of the action plans to address matters arising from the Management Report issued by the AGSA for the 2024/25 financial year. The ARC had reviewed the Department's implementation plan for audit issues raised in the previous year and noted that most findings were adequately resolved. The Committee was satisfied with the independence and objectivity of the AGSA. The Committee had met with the External Auditors separately to ensure that there were no unresolved issues.

Conclusion

Although there is a regression in the audit opinion for various reasons relating to the transitional arrangement of the DPE, the Committee concurs with, and accepts the AGSA's report on the AFS, reviewed significant adjustments resulting from the audit, and is of the opinion that the audited AFS should be accepted and read together with the report of the AGSA.

Signed on behalf of the Audit and Risk Committee:

S Gounden
Chairperson of the Audit and Risk Committee (ARC)
Date: 15 September 2025

12. B-BBEE COMPLAINCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisation in respect of economic activity in terms of any law	N/A	Not applicable to the department, the DPE does not issue licences.
Developing and implementing a preferential procurement policy?	Yes	Part of the Supply Chain Management Policy. The department's bids and RFQs stipulate pre-qualifications for prospective bidders in terms of Revised PPPFA (2022).
Determining qualification criteria for the sale of state-owned enterprises?	Yes	Negotiations are ongoing and are informed by the transformation B-BBEE requirements
Developing criteria for entering into partnerships with the private sector?	N/A	There is no partnership agreement that the department has entered with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	Not applicable to the department.

PART D
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister of Public Service and Administration for all departments in public service.

2. OVERVIEW OF HUMAN RESOURCES

2.1 Overview of human resources in the Department

The Department's Human Resources (HR) and Office Management Chief Directorate, continued to render its management support and development services to the Department. It provided related services such as fostering a safe working environment, managing employee relations, ensuring compliance with relevant legislation and overseeing the implementation of training programmes.

In an effort to reduce the Department's vacancies, the HR strategy for the filling of vacancies was implemented. That entailed the advertising and shortlisting for the response handling company that was meant to manage the handling of responses from the 27 vacant posts during the year under review. However, Presidential Proclamation No. 176 of 2025 abolished the Department of Public Enterprises and transferred the functions (State-Owned Entities) and its concomitant resources to six policy Departments. A total of 163 posts filled and vacancies were apportioned to the six policy departments. The entire response-handling process had to be discontinued when the National Macro Organizing of Government (NMOG) process commenced.

As of 31 March 2025, a total of 36 Employees (including Minister and Deputy Minister) left the Department and 1 additional appointment was done, making the Departmental turnover rate 22.5%. The vacancies were 23.9 % in the reporting year. The majority of those who left the Department were due to contract expiry as the Ministry of Public Enterprises was discontinued. Other reasons for employees leaving the Department were due to resignation, transfers to other Departments and retirement of employees between 60 – 65 years.

The position of Chief Director: Strategic Human Resources and Development position could not be filled due to the commencement of the NMOG process with suspended all staff acquisition process in those departments impacted by splitting, merging, renaming or creating. A few officials had to act in some critical positions such as those of the vacant Deputy Directors -General positions. Some positions were filled throughout the review period, on a contractual basis to provide capacity in the sector units. However, the Department of Public Service and Administration's (DPSA) directive and the National Treasury's (NT) implementation of control measures, which was intended to assist Executive Authorities in Government to manage fiscal sustainability, further delayed the filling of vacancies. As a result, there was instability within the Department due to the high vacancy rate. The effect of the high turnover rate in certain understaffed directorates put additional strain on the remaining employees because of the increased responsibilities and workload.

The Department did not have a new intake of interns for the 2024/2025 financial year due to uncertainty about the future of the DPE. Due to work pressures caused by a resignation within the Research and Economic Modelling Chief Directorate, steps were taken to recruit one intern whose contract ends in September 2025. In terms of the NMOG processes, the intern was transferred to the same receiving department as the coach.

During the period under review, both group and individual training interventions were rolled out. A total number of 15 interventions were rolled out. The bursary support for employees was re-activated. In total, 25 employees were granted new bursaries to pursue studies with various tertiary institutions.

2.2 Employee performance management framework

The processes on managing employee performance as outlined in the approved Performance Management and Development System (PMDS) policy, and strategy mandates that all staff members enter into Annual Performance Agreements with their supervisors. In this regard, all SMS and Non-SMS employees entered into performance agreements with their supervisors. The annual assessments for all the employees for the 2023/2024 cycle were successfully concluded and the outcomes were implemented. The abolishing of the DPE in terms of the Presidential Proclamation No: 176 of 2025 on 23 July 2025 had a direct impact on the seamless implementation of performance management. With due regard to the disruptive impact of the proclamation on the conducting of mid-terms performance reviews, the DPSA issued a directive that exempted all the departments that were directly affected by the NMOG process from conducting these mid-term reviews and only to conclude the final performance reviews. Guided by the Departmental PMDS policy, the final performance assessments were conducted during Quarter Four of the financial year in order to ensure that by 31 March 2025 all employees would have been subjected to the PMDS process.

2.3 Employee wellness programmes

The Department has a sub-directorate that is responsible for overseeing the execution of the yearly activities in line with its ongoing commitment to health promotion programmes. In this regard, the Department's Employee Health and Wellness (EHW) programme is fully operational. During the year under review, employees had the opportunity to participate in Health Risk Assessments, which included HIV/AIDS testing and counselling, TB screening, diabetes screening, body mass index, hypertension, and cholesterol testing, during quarterly wellness days.

To assist with the provision of EHW services, the Department contracted an accredited Employee Health and Wellness Service Provider. The Service Provider assisted the Department in running a 24-hour call centre that offers necessary support to employees and their immediate families.

To deal with employee anxiety and stress caused by the implementation of the NMOG process that led to the dividing up of staff and transferring them to six receiving departments, the services of a psychologist was secured with the aim of assisting employees with counselling and other mechanisms to prepare employees to better deal with change.

2.4 Employment Equity

The Department, through its HR plan, monitored the Employment Equity (EE) targets which were updated on a regular basis. The prescribed Annual Human Resources Plan Implementation report and Human Resources Assessments were compiled and submitted timeously. As at 31 March 2024, the gender representation on Senior Management level was at 39% female and 61% male. People Living with Disabilities (PwDs) was at 1.3%.

The suspension of the recruitment process for the 27 vacant positions in DPE as a response to Presidential Proclamation No. 176 of 2025 that abolished the Department of Public Enterprises and transferred the functions (State-Owned Entities) and its concomitant resources to six policy Departments meant that the targeted employment Equity plan and targets could not be reached.

2.5 Policy development

During the State of the Nation address by His Excellency, Cyril Ramaphosa, he announced that the Department of Public Enterprises will be abolished and all the State-Owned Entities' reporting to the Department will be transferred to their policy departments. That announcement indicated that any further reviews of the Human Resources policies will not serve any further purpose.

However, efforts were undertaken to raise awareness on the approved policies to ensure adherence to the evolving prescripts, foster an equitable working environment, and strengthen internal controls. Continuous proactive awareness creation was done through a dedicated Employee Relations Training and Awareness programme.

2.6 Future human resource plans /goals.

The Department did not review and submit its Human Resource Plan for the next MTEF period 2024 - 2027. The reason for the non-submission is that the HR Plan is a multi-year forward projection of human resources, skills and competencies. With the abolishing of the Department such a plan would serve no purpose. The process of the filling of vacant positions was also abandoned on the advice by the DPSA about the NMOG processes and its implications with regard to the transfer of functions, employees and concomitant resources.

The Department of Public Enterprises (DPE) is doing well in complying with the national EE targets. The only concern, however, relates to the representation of women in Senior Management positions and PwDs in the Department. While the Department has recently re-established an Employment Equity Committee (EEC) to assist in addressing its equity gaps, proactive action measures will have to be implemented to fast-track the representation of these designated groups during the recruitment

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2024 to 31 March 2025

Programme	Total Ex-penditure	Personnel Expenditure	Training Expenditure	Professional and special services ex-penditure R'000	Personnel expenditure as a % of total ex-penditure	Average personnel cost per employee
	R'000	R'000	R'000			R'000
DPE: Admin-istration	119 623,00	61 904,00	921,00	1 161,00	51,70	937,00
DPE: SOC: Governance & Assurance	45 025,00	39 136,00	0,00	2 457,00	86,90	1 702,00
DPE: Business	41 597,00	30 535,00	0,00	5 677,00	73,40	872,00
Total as on Financial Systems(BAS)	**206 245,00**	**131 575,00**	**921,00**	**9 295,00**	**63,80**	**1 061,00**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 to 31 March 2025

Salary band	Personnel Expenditure	% of total personnel cost	No of Employees	Average personnel cost per employee
	R'000			R'000
Unskilled (Levels 1-2)	102,00	0,10	0,00	0,00
Skilled (Level 3-5)	2 860,00	2,20	5,00	572,00
Highly skilled production (Levels 6-8)	21 588,00	16,40	41,00	526,00
Highly skilled supervision (Levels 9 - 12)	47 569,00	36,20	49,00	971,00
Senior and Top management (Level 13 -16)	59 456,00	45,20	29,00	2050,00
Total	**131 575,00**	**100,00**	**124,00**	**1061,00**

Table 3.1.3 Salaries, overtime, homeowner's allowance and medical aid by programme for the Period 1 April 2024 to 31 March 2025

Programme	Salaries		Overtime		Home owners allowance		Medical aid	
	Amount R'000	Salaries as a % of personnel costs	Amount R'000	Overtime as a % of personnel costs	Amount R'000	HOA as a % of personnel costs	Amount R'000	Medical aid as a % of personnel cost
DPE: Administration	40 037,00	64,70	2 512,00	4,10	1 108,00	1,80	1 871,00	3,00
DPE: SOC: Governance & Assurance	20 090,00	65,80	252,00	0,80	162,00	0,50	527,00	1,70
DPE: Business Enhancement, Transformation & Industrialisation	26 478,00	67,70	69,00	0,20	515,00	1,30	802,00	2,00
Total	**86 605,00**	**65,80**	**2 833,00**	**2,20**	**1 785,00**	**1,40**	**3 200,00**	**2,40**

Table 3.1.4 Salaries, overtime, homeowner's allowance and medical aid by salary band for the Period 1 April 2024 to 31 March 2025

Salary band	Salaries		Overtime		Homeowners al-lowance		Medical aid	
	Amount R'000	Salaries as a % of personnel costs	Amount R'000	Over-time as a % of person-nel costs	Amount R'000	HOA as a % of personnel costs	Amount R'000	Medical aid as a % of personnel cost
Unskilled (Level 1-2)	80,00	78,40	0,00	0,00	0,00	0,00	0,00	0,00
Skilled (Level 3-5)	2 055,00	70,50	188,00	6,50	106,00	3,60	294,00	10,10
Highly skilled production (Levels 6 -8)	12 678,00	54,50	1 730,00	7,40	845,00	3,60	1 537,00	6,60
Highly skilled supervision (Levels 9 -12)	21 604,00	47,40	915,00	2,00	508,00	1,10	1 116,00	2,40
Senior Management (Levels 13 -16)	50 188,00	84,00	0,00	0,00	326,00	0,50	253,00	0,40
Total	**86 605,00**	**65,80**	**2 833,00**	**2,20**	**1 785,00**	**1,40**	**3 200,00**	**2,40**

3.2 Employment and vacancies

Table 3.2.1 Employment and vacancies by programme as at 31 March 2025

Programme	Number of posts on approved estab-lishment	Number of posts filled	Vacancy rate	Number of em-ployees additional to the establish-ment
DPE: ADMINISTRATION, Permanent	87,00	66,00	24,10	1,00
DPE: SOC Governance Assurance & Performance	29,00	23,00	20,70	0,00
DPE: Business Enhancement, Transformation & Industrialisation	47	35	26	0,00
TOTAL	**163,00**	**124,00**	**23,90**	**1,00**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2025

Salary band	Number of posts on approved establishment	Number of post filled	Vacancy rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2)	3,00	0,00	100,00	0,00
Skilled (Levels 3-5),	5,00	5,00	0,00	0,00
Highly Skilled Production (Levels 6-8)	45,00	41,00	8,90	0,00
Highly Skilled Supervision (Levels 9-12)	59,00	49,00	16,90	0,00
Senior Management (Levels >= 13)	50,00	28,00	44,00	0,00
Contract (Levels >= 13), Permanent	1,00	1,00	0,00	1,00
Other Occupations	**0,00**	**0,00**	**0,00**	**0,00**

Table 3.2.3 Employment and vacancies by critical occupations programme as at 31 March 2025

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establish-ment
ADMINISTRATION CLERKS PERMANENT	32,00	31,00	3,00	0,00
MIDDLE MANAGER: LEGAL RELATED	1,00	1,00	0,00	0,00
MIDDLE MANAGER: COMMUNICATION AND INFORMATION RELATED	1,00	1,00	0,00	0,00
MIDDLE MANAGER: INTERNAL AUDIT RELATED	2,00	1,00	50,00	0,00
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED	1,00	1,00	0,00	0,00
INFORMATION TECHNOLOGY & SYSTEMS MANAGER	1,00	0,00	100,00	0,00
OTHER MIDDLE MANAGER	11,00	9,00	18,00	0,00
FINANCIAL ACCOUNTANT	4,00	2,00	50,00	
HEADS OF NATIONAL DEPARTMENT PERMANENT	1,00	0,00	100,00	1,00
HUMAN RESOURCE MANAGER PERMANENT	2,00	1,00	50,00	0,00
HUMAN RESOURCES CLERKS PERMANENT	7,00	6,00	14,00	0,00
SUPPLY CHAIN CLERK	5,00	3,00	60,00	0,00
FINANCE CLERK	5,00	4,00	20,00	0,00
PUBLIC/MEDIA RELATIONS MANAGERS	2,00	2,00	0,00	0,00
KITCHEN HAND PERMANENT	3,00	0,00	100,00	0,00

Critical occupation	Number of posts on approved es-tablishment	Number of posts filled	Vacancy rate	Number of em-ployees additional to the establish-ment
LIBRARY CLERKS	1,00	1,00	0,00	0,00
MESSENGER	1,00	1,00	0,00	0,00
STATE OWNED ENTITIES AND OVERSIGHT MANAGER	33,00	18,00	45,00	0,00
ACCOUNT CLERK (PUBLIC RELATIONS/COMMUNICATION)	3,00	3,00	0,00	0,00
MIDD.MANAGER: HUMAN RESOURCE & ORGANISA. DEVEL.RELA PERMANENT	2,00	1,00	50,00	0,00
MIDDLE MANAGER: ADMINISTRATIVE RELATED PERMANENT	17,00	16,00	6,00	0,00
OTHER OCCUPATIONS PERMANENT	0,00	0,00	0,00	0,00
RECEPTIONIST (GENERAL) PERMANENT	2,00	2,00	0,00	0,00
FILING OR REGISTRY CLERK	5,00	5,00	0,00	0,00
PROOF READER	1,00	1,00	0,00	0,00
RISK AND INTEGRITY MANAGERS	3,00	3,00	0,00	0,00
LEGAL SERVICES MANAGER	7,00	5,00	29,00	0,00
SUPPLY CHAIN MANAGERS	1,00	1,00	0,00	0,00
AUDIT AND RISK MANAGERS	1,00	1,00	0,00	0,00
STRATEGY/MONITORING &EVALUATION MANAGER PERMANENT	1,00	0,00	100,00	0,00
FINANCE MANAGERS	2,00	1,00	50,00	0,00
SYSTEMS ADMINISTRATOR PERMANENT	4,00	3,00	25,00	0,00
ADMINISTRATIVE AND GOVERNANCE POLICY MANAGER	1,00	0,00	100,00	0,00
TOTAL	**163,00**	**124,00**	**23,90**	**1,00**

3.3 Filling of SMS posts

Table 3.3.1 SMS post information as of 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS post filled	% of SMS posts filled	Total number of SMS post vacant	% of SMS posts vacant
Director-General/ HOD	1	0	0	100	100
Salary level 16	0	0	0	0	
Salary level 15	4	2	50	2	50
Salary level 14	14	10	71	4	29
Salary level 13	32	19	59	13	41
TOTAL	**51**	**31**	**61**	**19**	**37**

Table 3.3.2 SMS post information as at 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS post filled	% of SMS posts filled	Total number of SMS post vacant	% of SMS posts vacant
Director-General/ HOD	1	0	0	1	100
Salary level 16	0	0	0	0	0
Salary level 15	4	2	50	2	50
Salary level 14	14	10	71	4	29
Salary level 13	32	19	59	13	41
TOTAL	**51**	**31**	**61**	**19**	**37**

Table 3.3.3 Advertising and filling SMS posts for the period 1 April 2024 and 31 March 2025

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of be-coming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	1		
Salary Level 14	4	0	0
Salary Level 13	8	0	0
Total	**13**	**0**	**0**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS advertised within 6 months after becoming vacant for the period 1 April 2023 to 31 March 2024

Reasons for vacancies not advertised within 6 months
Vacancies advertised, however, could not be filled due to the Presidential Proclamation on the closure of the Department.

Reasons for vacancies not filled within 12 months
Due to uncertainty of the future of the Department.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 to 31 March 2024

Reasons for vacancies not advertised within 6 months
None

Reasons for vacancies not filled within 6 months
None

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by salary band for the period 1 April 2024 to 31 March 2025

Salary band	Number of posts approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Unskilled (levels 1 -2)	3,00	0,00	0,00	0,00	0,00	0,00	0,00
Skilled (levels 3 -5)	5,00	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled production (levels 6-8)	45,00	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled supervision (levels 9-12)	61,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band A	30,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band B	14,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band C	4,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band D	1,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	**163,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2024 to 31 March 2025

Gender	African	Asian	Coloured	White	TOTAL
Female	0,00	0,00	0,00	0,00	0,00
Male	0,00	0,00	0,00	0,00	0,00
Total	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Employees with disability	0,00	0,00	0,00	0,00	0,00
Total	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2024 to 31 March 2025

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of employees whose salaries exceeded the level determined by job evaluation	0,00	0,00	0,00	0,00
Percentage of total employed	0%	0%	0%	0%

Table 3.4.4. Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024

Total number of Employees whose salaries exceeded the grades determined by job evaluation	0%

3.5 Employment changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2024 to 31 March 2025

Salary band	Number of em-ployees at be-ginning of period 1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the departments	Turnover rate
Unskilled (1-2)	3	0	3	100
Skilled (level 3-5)	15	0	10	67
Highly skilled production (levels 6 - 8)	42	0	3	7
Highly skilled supervision (levels 9-12)	55	0	6	11
Senior Management Services Bands A	26	0	7	27
Senior Management Services Bands B	12	0	2	17
Senior Management Service Bands C	3	1	1	33
Senior Management Service Bands D	2	1	2	100
Deputy Minister	1	0	1	100
Minister	1	0	1	100
TOTAL	**160**	**1**	**36**	**22.5**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 to 31 March 2025

Critical occupation	Number of employees at beginning of period April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATION CLERKS PERMANENT	31,00	0,00	3,00	9,70
MIDDLE MANAGER: LEGAL RELATED	1,00	0,00	0,00	0,00
MIDDLE MANAGER: COMMUNICATION AND INFORMATION RELATED	1,00	0,00	0,00	0,00
CARETAKER/ CLEANER	4,00	0,00	4,00	100,00
MIDDLE MANAGER: INTERNAL AUDIT RELATED	1,00	0,00	0,00	0,00
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED	1,00	0,00	0,00	0,00
OTHER MIDDLE MANAGER	10,00	0,00	0,00	0,00
FINANCIAL ACCOUNTANT	2,00	0,00	0,00	0,00
HEADS OF NATIONAL DEPARTMENT PERMANENT	0,00	1,00	1,00	0,00
HUMAN RESOURCE MANAGER PERMANENT	1,00	0,00	1,00	100,00
HUMAN RESOURCES CLERKS PERMANENT	7,00	0,00	1,00	14,30
SUPPLY CHAIN CLERK	4,00	0,00	1,00	25,00
FINANCE CLERK	4,00	0,00	0,00	0,00
PUBLIC/MEDIA RELATIONS MANAGERS	3,00	0,00	1,00	0,00
KITCHEN HAND PERMANENT	2,00	0,00	2,00	100,00
LIBRARY CLERKS	1,00	0,00	0,00	0,00
MESSENGER	4,00	0,00	3,00	75,00
STATE OWNED ENTITIES AND OVERSIGHT MANAGER	12,00	0,00	1,00	8,30
ACCOUNT CLERK(PUBLIC RELATIONS/COMMUNICATION)	3,00	0,00	0,00	0,00
MIDDLE MANAGER: HUMAN RESOURCE & ORGANISA.DEVEL. RELA PERMANENT	2,00	0,00	1,00	50,00
MIDDLE MANAGER: ADMINISTRATIVE RELATED Permanent	16,00	0,00	3,00	18,80
OTHER OCCUPATIONS PERMANENT	3,00	0,00	3,00	100,00
RECEPTIONIST (GENERAL) PERMANENT	3,00	0,00	1,00	33,30
FILING OR REGISTRY CLERK	5,00	0,00	1,00	20,00
PROOF READER	1,00	0,00	0,00	0,00

Critical occupation	Number of employees at beginning of period April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
RISK AND INTEGRITY MANAGERS	3,00	0,00	0,00	0,00
LEGAL SERVICES MANAGER	6,00	0,00	1,00	16,70
SUPPLY CHAIN MANAGERS	1,00	0,00	0,00	0,00
AUDIT AND RISK MANAGERS	1,00	0,00	0,00	0,00
STRATEGY/MONITORING &EVALUATION MANAGER PERMANENT	1,00	0,00	1,00	100,00
STATE OWNED ENTITIES AND OVERSIGHT MANAGER	19,00	0,00	3,00	15,80
MANAGERS NOT ELSEWHERE CLASSIFIED	2,00	0,00	2,00	100,00
FINANCE MANAGERS	1,00	0,00	0,00	0,00
SYSTEMS ADMINISTRATOR PERMANENT	4,00	0,00	2,00	50,00
TOTAL	**160,00**	**1,00**	**36,00**	**22,50**

Table 3.5.3 Reasons why staff left the department for the period 1 April 2024 to 31 March 2025

Termination type	Number	% of Total Resignation
Death	0,00	0,00
Resignation	5,00	13,90
Expiry of contract	28,00	77,80
Dismissal – operational changes	0,00	0,00
Dismissal – misconduct	2,00	5,60
Dismissal – inefficiency	0,00	0,00
Discharged due to ill-health	0,00	0,00
Retirement	1,00	2,80
Transfer to other Public Service Departments	0,00	0,00
Other	0,00	0,00
TOTAL	**36,00**	**100,00**
Total number of employees who left as a % of total employment	**29%**	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 to 31 March 2025

Occupation	Employees 1 April 2024	Promotion to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATION CLERKS PERMANENT	31,00			25	80
MIDDLE MANAGER: LEGAL RELATED	1,00			1	100
MIDDLE MANAGER: COMMUNICATION AND INFORMATION RELATED	1,00			1	100
CARETAKER/ CLEANER	4,00			0	0
MIDDLE MANAGER: INTERNAL AUDIT RELATED	1,00			1	100
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED	1,00			1	100
OTHER MIDDLE MANAGER	10,00			6	60
FINANCIAL ACCOUNTANT	2,00			2	100
HEADS OF NATIONAL DEPARTMENT PERMANENT	0,00			0	0
HUMAN RESOURCE MANAGER PERMANENT	1,00			0	0
HUMAN RESOURCES CLERKS PERMANENT	7,00			3	43
SUPPLY CHAIN CLERK	4,00			2	2
FINANCE CLERK	4,00			3	75
PUBLIC/MEDIA RELATIONS MANAGERS	3,00			3	100
KITCHEN HAND PERMANENT	2,00			0	0
LIBRARY CLERKS	1,00			0	0
MESSENGER	4,00			0	0
STATE OWNED ENTITIES AND OVERSIGHT MANAGER	12,00			2	17
ACCOUNT CLERK(PUBLIC RELATIONS/COMMUNICATION)	3,00			3	100
MIDDLE MANAGER: HUMAN RESOURCE & ORGANISA.DEVEL. RELA PERMANENT	2,00			1	50
MIDDLE MANAGER: ADMINISTRATIVE RELATED Permanent	16,00			13	81
OTHER OCCUPATIONS PERMANENT	3,00			0	0
RECEPTIONIST (GENERAL) PERMANENT	3,00			2	67
FILING OR REGISTRY CLERK	5,00			4	80
PROOF READER	1,00			1	100

Occupation	Employees 1 April 2024	Promotion to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
RISK AND INTEGRITY MANAGERS	3,00			2	67
LEGAL SERVICES MANAGER	6,00			4	67
SUPPLY CHAIN MANAGERS	1,00			1	100
AUDIT AND RISK MANAGERS	1,00			0	0
STRATEGY/MONITORING &EVALUATION MANAGER PERMANENT	1,00			0	0
STATE OWNED ENTITIES AND OVERSIGHT MANAGER	19,00			12	63
MANAGERS NOT ELSEWHERE CLASSIFIED	2,00			1	50
FINANCE MANAGERS	1,00			1	100
SYSTEMS ADMINISTRATOR PERMANENT	4,00			3	75
TOTAL	**160,00**			**98**	**61**

Table 3.5.5 Promotions by salary band for the period 1 April 2024 to 31 March 2025

Salary Band	Employees 1 April 2024	Promotion to another salary level	Salary level promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progres-sion as a % of employees by salary bands
Lower skilled (level 1-2)	2	0	0	0	0
Skilled (level 3-5)	12	0	0	5	42
Highly skilled pro-duction (levels 6-8)	44	0	0	33	75
Highly skilled su-pervision (level 9-12)	56	0	0	35	63
Senior Manage-ment (level 13-16)	40	0	0	25	63
Other Occupations	0	0	0	0	0
Total	**154**	**0**	**0**	**98**	**64**

3.6 Employment equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the Following occupational categories as at 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior 32 officials and managers, Permanent	16	2	1	0	11	1	1	0	32
Professionals, Permanent	19	0	1	1	23	1	0	3	48
Technicians and associate professionals, Permanent	9	0	0	0	28	2	0	1	40
Clerks, Permanent	3	0	0	0	22	0	0	0	5
Service and sales workers, Permanent	0	0	0	0	0	0	0	0	0
Total	**47**	**2**	**2**	**1**	**64**	**4**	**1**	**4**	**125**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the Following occupational bands as at 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	1	0	3
Senior Management	15	2	1	0	10	1	0	0	29
Professionally qualified and experienced specialists and mid-management	19	0	1	1	23	1	0	3	48
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	1	28	2	0	1	40
Semi-skilled and discretionary decision making	3	0	0	0	2	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**47**	**2**	**2**	**1**	**64**	**4**	**1**	**4**	**125**

Table 3.6.3 Recruitment for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	**0**
Senior Management	1	0	0	0	1	0	0	0	**1**
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	**0**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	**0**
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	**0**
Unskilled and defined decision making	0	0	0	0	0	0	0	0	**0**
Total	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.4 Promotions for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	**0**
Senior Management	0	0	0	0	0	0	0	0	**0**
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	**0**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	**0**
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	**0**
Unskilled and defined decision making	0	0	0	0	0	0	0	0	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.5 Terminations for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	1	0	0	0	1	0	4
Senior Management	6	0	1	0	3	0	0	1	11
Professionally qualified and experienced specialists and mid-management	3	0	0	0	0	1	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	5	0	0	0	8
Semi-skilled and discretionary decision making	2	0	0	0	7	0	0	0	9
Total	**16**	**0**	**2**	**0**	**15**	**1**	**1**	**1**	**36**

Table 3.6.6 Disciplinary action for the period 1 April 2024 to 31 March 2025

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dereliction of duty	2	0	0	0	1	0	1	1	4
Absenteeism	0	0	0	0	1	0	0	0	1
Total	**2**	**0**	**0**	**0**	**2**	**0**	**1**	**1**	**5**

Table 3.6.7 Skills development for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	0	0	0	0	1	0	0	0	1
Professionals	1	0	0	0	2	0	0	0	3
Technicians and associate professionals	1	0	0	0	1	0	0	0	2
Clerks	1	0	0	0	1	0	0	0	2
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	10	0	0	0	8	0	0	0	18
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**26**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.7 Signing of performance agreements by SMS members

Table 3.7.1 Signing of a performance agreement by SMS members as at 31 May 2024

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreement	Signed perfor-mance agreements as % of total num-ber of SMS mem-bers
Director-General/HOD	1	0	0	0%
Salary level 15	4	3	3	100%
Salary level 14	15	12	12	100%
Salary level 13	41	25	25	100%
Total	**61**	**40**	**40**	**100%**

Table 3.7.2 Reasons for not having concluded a performance agreement with all SMS members as on 31 March 2024

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2024

Reasons
None

3.8 Performance Rewards

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2024 to 31 March 2025

Race and Gender	Beneficiary Profile			Cost	
	No of beneficiaries	Number of employees	% of total within group	Cost R'000	Average cost per employee
African					
Male	2	61	3	61	31
Female	1	76	1	18	18
Indian					
Female	0	1	0	0	0
Male	0	3	0	0	0
Coloured					
Female	0	5	0	0	0
Male	0	2	0	0	0
White					
Female	0	5	0	0	0
Male	0	2	0	0	0
Total	**3**	**154**	**2**	**79**	**26**

Table 3.8.2 Performance rewards by salary band for personnel below senior management level for the period 1 April 2024 to 31 March 2025

Reasons
The payment of performance incentives during the year under review, is the result of employees' appeals against their final assessment results for the period 1 April 2019 to 31 March 2020. The yearly performance assessments for the fiscal years 1 April 2023 to 31 March 2024 and 1 April 2024 to 31 March 2025 did not result in any bonus awards.

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2024 to 31 March 2025

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	2	0	0	0	
Skilled (Levels 3-5)	0	12	0	0	0	
Highly skilled production (Levels 6-8)	1	44	2	18	18	
Highly skilled supervision (Levels 9-12)	2	56	3	61	31	
Total	**3**	**114**	**3**	**79**	**26**	

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management level for the period 1 April 2024 to 31 March 2025

Critical occupation	Beneficiary profile			Cost	
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee
ADMINISTRATION CLERKS PERMANENT	2	35	6	40	20
MIDDLE MANAGER: LEGAL RELATED	0	1	0	0	0
MIDDLE MANAGER: COMMUNICATION AND INFORMATION RELATED	0	2	0	0	0
CARETAKER/ CLEANER	0	4	0	0	0
MIDDLE MANAGER: INTERNAL AUDIT RELATED	0	1	0	0	0
MIDDLE MANAGER: INFORMATION TECHNOLOGY RELATED	0	1	0	0	0
OTHER MIDDLE MANAGER	1	11	9	39	39
FINANCIAL ACCOUNTANT	0	2	0	0	0
HEADS OF NATIONAL DEPARTMENT PERMANENT	0	0	0	0	0
HUMAN RESOURCE MANAGER PERMANENT	0	1	0	0	0
HUMAN RESOURCES CLERKS PERMANENT	0	7	0	0	0
SUPPLY CHAIN CLERK	0	3	0	0	0

Critical occupation	Beneficiary profile			Cost	
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee
FINANCE CLERK	0	4	0	0	0
PUBLIC/MEDIA RELATIONS MANAGERS	0	3	0	0	0
KITCHEN HAND PERMANENT	0	2	0	0	0
LIBRARY CLERKS	0	1	0	0	0
MESSENGER	0	4	0	0	0
STATE OWNED ENTITIES AND OVERSIGHT MANAGER	0	2	0	0	0
ACCOUNT CLERK(PUBLIC RELATIONS/COMMUNICATION)	0	3	0	0	0
MIDDLE MANAGER: HUMAN RESOURCE & ORGANISA. DEVEL. RELA PERMANENT	0	2	0	0	0
MIDDLE MANAGER: ADMINISTRATIVE RELATED Permanent	0	18	0	0	0
OTHER OCCUPATIONS PERMANENT	0	0	0	0	0
RECEPTIONIST (GENERAL) PERMANENT	0	3	0	0	0
FILING OR REGISTRY CLERK	0	5	0	0	0
PROOF READER	0	1	0	0	0
RISK AND INTEGRITY MANAGERS	0	3	0	0	0
LEGAL SERVICES MANAGER	0	6	0	0	0
SUPPLY CHAIN MANAGERS	0	1	0	0	0
AUDIT AND RISK MANAGERS	0	1	0	0	0
STRATEGY/MONITORING &EVALUATION MANAGER PERMANENT	0	1	0	0	0
STATE OWNED ENTITIES AND OVERSIGHT MANAGER	0	19	0	0	0
MANAGERS NOT ELSEWHERE CLASSIFIED	0	2	0	0	0
FINANCE MANAGERS	0	1	0	0	0
SYSTEMS ADMINISTRATOR PERMANENT	0	4	0	0	0
Total	**3**	**154**	**2**	**79**	**26**

3.9 Foreign workers

Table 3.9.1 foreign workers by salary band for the period 1 April 2024 to 31 March 2025

Salary band	1 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled (3-5)	0	0	0	0	0	0
Highly skilled production (Level 6-8)	0	0	0	0	0	0
Highly skilled supervision (Level. 9-12)	0	0	0	0	0	0
Senior Management (Level 13-16)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.9.1 foreign workers by salary band for the period 1 April 2024 to 31 March 2025

Salary band	1 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior Management	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

3.10 Leave utilization

Table 3.10.1 Sick leave for the period 1 January 2024 to 31 December 2025

Salary Band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (1-2)	4,00	100,00	1,00	0,90	4,00	3,00
Skilled (Levels 3-5)	29,00	79,30	7,00	6,00	4,00	34,00
Highly skilled production (Levels 6-8)	269,00	66,90	34,00	29,10	8,00	551,00
Highly skilled supervision (Level 9 – 12)	248,00	52,00	44,00	37,60	6,00	808,00
Top and senior management (Levels 13 – 16)	205,00	78,00	25,00	21,40	8,00	1 077,00
Total	**770,00**	**66,20**	**117,00**	**100,00**	**7,00**	**2 583,00**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2025

Salary Band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Skilled (Levels 3-5)	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled production (Levels 6-8)	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled supervision (Level 9 – 12)	40,00	100,00	2,00	100,00	20,00	118,00
Top and senior management (Levels 13 – 16)	0,00	0,00	0,00	0,00	0,00	0,00
Total	**40,00**	**100,00**	**2,00**	**100,00**	**20,00**	**118,00**

Table 3.10.3 Annual leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skills (Level 1-2)	12,00	2,00	6,00
Skilled (Levels 3-5)	175,00	13,00	42,00
Highly skilled production (levels 6-8)	1 113,00	43,00	26,00
Highly skilled supervision (Levels 9 -12)	1 309,00	56,00	29,00
Senior management (Levels 13-16)	834,00	43,00	34,00
Total	**3 443,25**	**157,00**	**22,00**

Table 3.10.4 Capped leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2025
Lower skills (Level 1-2)	0,00	0,00	0,00	
Skilled (Levels 3-5)	0,00	0,00		20,00
Highly skilled production (levels 6-8)	0,00	0,00		29,00
Highly skilled supervision (Levels 9 -12)	0,00	0,00		54,00
Total	**0,00**	**0,00**		**0,00**

Table 3.10.5 Leave payout for the period 1 April 2024 to 31 December 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual-Discounting with Resignation (workdays)	842,00	20,00	42 100,00
Annual-Unused Vacation Credits (workdays)	324,00	4,00	81 000,00
Annual -Gratuity: Death/Retirement/ Medical Retirement	165,00	1,00	165 000,00
Capped -Gratuity: Death/Retirement/ Medical Retirement	84,00	1,00	84 000,00
Total	**1 415,00**	**26,00**	**54 423,00**

3.11 HIV/AIDS & Health Promotion Programmes

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
No Unit/categories of employees identified as high risk.	None

Table 3.11.2 Details of health promotion and HIV/AIDS programmes (tick the applicable boxes and Provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001 If so, provide her/his name and position		x	The function is reporting to the Deputy Director.
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		Two employees are dedicated to the function, with the annual budget of R998 000.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme	x		The Department through the Employee Wellness Programme has put the following programme in place: The 24hrs Counselling services focusing on • General health issues, • Family and relationships, • Psycho-social counselling, • Financial management, • Legal advice, • Violence and trauma, and • HIV/AIDS Workplace Management, and Physical Wellness.

Question	Yes	No	Details, if yes
4. Has the Department established a committee as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please pro-vide the names of the members of the committee and the stakeholders that they represent.		x	There is no Committee established matters related to EHW and are referred to the Chief Director: SHR & OM.
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices reviewed.	x		• HIV &AIDS and TB Policy, • Employee Health and Wellness Policy, • Leave Policy, • Recruitment Policy, • Disability Policy, and • Harassment Policy. • OHS Policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		Employees in the Department are not obliged to disclose their HIV status.
7. Does the Department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have you achieved.	x		Employees have done VCT during Wellness events in the 2024/25 financial year.
8. Has the Department developed measures/ indicators to monitor & evaluate the impact of its health. promotion programme? If so, list these measures/indicators.	x		The Department reports quarterly on the number of employees participating in wellness activities, including employees undergoing Counselling services.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2024 to 31 March 2025

Subject matter	Date
None	

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 to 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Correctional counseling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	2	50
Fine	0	0
Demotion	0	0
Dismissal	2	50
Not guilty	0	0
Case withdrawn	0	100
Total	**4**	**100**

Total number of Disciplinary hearings finalised	1

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 to 31 March 2025

Type of misconduct	Number	% of total
Dereliction of duty	4	80
Absenteeism	1	20
Total	**5**	**100**

Table 3.12.4 Grievances logged for the period 1 April 2024 to 31 March 2025

Grievances	Number	% of total
Number of grievances resolved	1	100
Number of grievances not resolved	0	0
Total number of grievances lodged	**1**	**100**

Table 3.12.5 Disputes logged with councils for the period 1 April 2024 to 31 March 2025

Disputes	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	**1**	**100**

Table 3.12.6 Strike action for the period 1 April 2024 to 31 March 2025

Total number of persons working days lost	0
Total cost of working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2024 to 31 March 2025

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

3.13 Skills Development

Table 3.13.1 Training needs identified for the period 1 April 2024 to 31 March 2025

Occupational category	Gender	Number of Employees as on 1 April 2025	Training needs identified at start of the reporting period			
			Internship	Skills programmes & other short courses	Other forms of training	Total
Legislators, Senior Officials and Managers	Female	0	0	0	0	0
	Male	0	0			
Professionals	Female	0	0	0	0	0
	Male	0	0			
Technicians and Associates professionals	Female	0	0	0	0	0
	Male	0	0			

Occupational category	Gender	Number of Employees as on 1 April 2025	Training needs identified at start of the reporting period			
			Internship	Skills programmes & other short courses	Other forms of training	Total
Administration/Clerks	Female	0	0	0	0	0
	Male	0	0			
Elementary occupations	Female	0	0	0	0	0
	Male	0	0			
Sub-total	Female	0	0	0	0	0
	Male	0	0			
Total		**0**	**0**	**0**	**0**	**0**

Table 3.13.2 Training provided for the period 1 April 2024 to 31 March 2025

Occupational category	Gender	Number of Employees as on 1 April 2025	Training needs identified at start of the reporting period			
			Internship	Skills programmes & other short courses	Other forms of training	Total
Legislators, Senior Officials and Managers	Female	13	0	11	0	11
	Male	19	0			
Professionals	Female	27	0	7	0	7
	Male	21	0			
Technicians and Associates professionals	Female	31	0	13	1	14
	Male	9	0			
Clerks	Female	2	0	14	1	15
	Male	3	0			
Elementary occupations	Female	0	1	1	0	1
	Male	0	0			
Sub-total	Female	73	0	0	0	0
	Male	52	0			
Total		**125**	**1**	**45**	**2**	**45**

Table 3.14.1 Injury on duty for the period 1 April 2024 to 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	**0**	**0**

3.15 Utilization of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds.

Total number of projects	Total individual consultants	Total Duration workdays	Total contract value in Rand
Forensic service for handwriting examines.	1	2 days	15 000.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically disadvantaged individuals (HDIS) for the period 1 April 2024 and March 2025

Project Title	Percentage ownership HDI groups	Percentage Management by HDI group	Number of Consultants from HDI groups that worked on the project
Forensic service for handwriting examines	0%	0%	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

None

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically disadvantaged individuals (HDIS) for the period 1 April 2024 and March 2025

3.16 Severance packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2024 To 31 March 2025

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Level 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Level 13-16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

PART E
PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/25	2023/24
	R'000	R'000
Opening balance	46 552	38 722
Add: Irregular expenditure confirmed	2 397	7 830
Less: Irregular expenditure condoned	(13 259)	-
Closing Balance	**35 690**	**46 552**

b) Reconciling notes

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure that relates to the prior year and identified in the current year	-	3 483
Irregular expenditure for the current year	2 397	4 347
Total	**2 397**	**7 830**

The irregular expenditure relates to deviation from normal bidding process to procure through a single source and deviation to procure as an urgent service. National Treasury concurred with AGSA that the transactions are irregular, however the Department is currently appealing to NT conclusion.

c) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

1.2 Fruitless and wasteful expenditure

1.2.1 Reconciliation of fruitless and wasteful expenditure

Description	2024/25	2023/24
	R'000	R'000
Opening balance	23	5
Add: Fruitless and wasteful expenditure confirmed		18
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	(23)	-
Closing balance	**-**	**23**

An approval to write off an amount of R23 000.00 was granted by the Director-General.

1.2.1 Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Description
Disciplinary steps were taken.

1.3 Information on late and/or non-payment of suppliers

1.3.1 Format of disclosure

Nature of losses	Number of invoices	2024/25
		R'000
Valid invoices received	2 650	51 769 701.16
Invoices paid within 30 days or agreed period	2 650	51 769 701.16
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

[1] Transfer to receivables

1.4 Information on Supply Chain Management

1.4.1 Procurement by other means:

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
To provide support on the review and socialization of the stakeholder engagement Framework to EXCO and senior management services members	University of Pretoria	Limited Bidding Deviation	ADG-17-04-2024	230 000.00
To conduct forensic handwriting examination relating to the signed (SEP) documents	Terry Elmah Fo-rensic Hand-writing	Limited Bidding Deviation	ADG-06-05-2024	15 000.00
To perform state funeral service of former Minister Mr Pravin Gordhan	Poonee's Fu-neral Parlour and Durban ICC	Other means Deviation (ur-gent)	ADG-16-09-2024	730 769.28

1.4.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract number	Original contract value	Value of previous contract/ expansion or var-iation/s	Value of current contract expansion or variation
				R'000	R'000	R'000
Storage facilities for paper based records for 12 Months period.	Metrofile	expansion		169 935,96	58 529,39	R228 465,35
Travel Man-agement Services for 4 months	Travel With Flair (TWF)	Expansion		R35 000.00	R2 300 000	R35 230 00.00
Shredding Services for 04 Months	Document & Data Shredding	Expansion		R409 032,00	R45 448,00	R454 480,00
Maintenance and support for open text (EDOC)	Connect U	Expansion		R779 700.00	R230 690.00	R1 010 390,00
Variation and Expansion of scope of work on the printing, editing and proof reading, layout, design for the annual report.	Pulse Me-dia	Expansion and Varia-tion		R319 398.00	R123 433,20	R442 831.20
Renewal of papercut print management solution	Altron Document Solution	Expansion		R60 521.52	R92 145,35	R152 666,87
Cleaning services	Oks In-vestment 2009	Expansion	DPE16-2018-19	R2 022 928,80	R2 224 053,78	R4 246 982,58
Security Guarding Services	Sinqobile Equestrian Security Services	Expansion	DPE 3 2020-2021	R9 292 835,26	R2 756 852,34	R12 049 687,60

1.5 IRREGULAR EXPENDITURE

	Amount	Comments
Irregular Expenditure - relating to prior year	R32 586 696.00	The irregular expenditure was due to material deficiency in the appointment of a service provider. The matter is in court for the Department to obtain leave to institute legal action against Zam Project. In this regard the DPE's legal team has already drafted heads of argument in the matter and are waiting to get a date from court to put the matter in the unopposed motion court roll.
Irregular Expenditure - relating to prior year	R4 345 950.00	The Department sort National Treasury advise as to whether this expenditure is indeed an irregular expenditure as identified by AGSA. NT expressed a view. However, NT has not been able to substantiate the basis of their view since March 2025. Awaiting their response.
Add Irregular expenditure – relating to current year	R 2 397 000.00	The Department sort National Treasury advise as to whether this expenditure is indeed an irregular expenditure as identified by AGSA. NT expressed a view. However, NT has not been able to substantiate the basis of their view since March 2025. Awaiting their response.
Total	**R 39 329 646.00**	

PART F
FINANCIAL INFORMATION

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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 10: DEPARTMENT OF PUBLIC ENTERPRISES

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Department of Public Enterprises as set out on pages xx to xx, which comprise the appropriation statement, the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of the auditor's report the financial statements present fairly, in all material respects, the financial position of the Department of Public Enterprises as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Movable tangible capital assets

3. I was unable to obtain sufficient appropriate audit evidence that movable tangible capital assets had been properly accounted for, due to the status of the accounting records. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets stated at R38,1 million in note 24 to the financial statements.

Minor assets

4. Not all minor assets recorded in the fixed asset register could be located, which is in contravention of chapter 11 of the MCS, Capital assets, resulting in minor assets disclosed in note 24.2 to the financial statements being overstated by R0,7 million.
5. Furthermore, I was unable to obtain sufficient appropriate audit evidence that minor assets had been properly accounted for, due to the status of the accounting records. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to minor assets stated at R5,8 million in note 24.2 to the financial statements.

Context for opinion

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

Emphasis of matter

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

Subsequent events

10. I draw attention to note 23 in the financial statements, which deals with non-adjusting events after reporting date and specifically the details of the transfer of functions as well as all related assets and liabilities to the receiving departments per the Presidential Proclamations 176 and 180.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the Public Finance Management Act 1 of 1999; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of our auditor's report.

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: SOC governance assurance and performance	[XX]	Provide and enforce SOEs' governance, legal assurance and financial and non-financial performance monitoring, evaluation and reporting systems in support of the Shareholder to ensure alignment with Government priorities.
Programme 3: business enhancement, transformation and industrialisation		Provide sector oversight to ensure that SOEs contribute to the advancement of industrialisation, transformation, inter-governmental relations and interna-tional collaboration services. Support the shareholder in strategically positioning and enhancing the operations of SOEs

19. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets / measures taken to improve performance

21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

22. I did not identify any material findings on the reported performance information for programme 2 – SOC governance assurance and performance

23. The material findings on the reported performance information for the selected programme are as follows:

Programme 3 – business enhancement, transformation and industrialisation

Indicator - Number of progress reports on the implementation of "Just" Energy Transition Framework

24. Under-achievements were reported against the related planned targets together with the reasons for this. However, adequate supporting evidence was not provided for auditing. Consequently, I could not confirm the reliability of the reported reason.

Indicator	Target	Reported achieve-ment	Reported reason
rNumber of progress reports on the im-plementation of "Just" Energy Transition Framework	Four progress reports on the implementation of "Just" Energy Transition Framework	Not achieved: Three progress reports on the implementation of "Just" Energy Transition Framework were not completed	Progress reports could not be finalised due to the transfer of function to the policy department

Other matter

25. I draw attention to the matter below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement. This information should be considered in the context of the material findings on the reported performance information.

27. The tables that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx.

Programme 2: SOC governance assurance and performance

Targets achieved: 50% Budget spent: 67%		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of board performance index (BPI) pilot reports produced	Two pilot reports on BPI on two SOCs produced	Draft terms of reference to appoint the service provider to undertake the pilot were completed.
Number of SOEs quarterly financial reviews conducted	24	22

Programme 3: Business enhancement, transformation and industrialisation

Targets achieved: 47% Budget spent: 68%		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of DDMs technical structures that DPE participated in	Participation in two DDMs technical structures	Draft terms of reference to appoint the service provider to undertake the pilot were completed.
Number of SHCs signed per year	One 2025-26 Eskom SHC signed	One 2025-26 Eskom SHC not signed
Number of progress reports on consultations with stakeholders on the proposed role of Alexkor	Two progress reports on the consultations with stakeholders on the proposed role of Alexkor	Not achieved Two progress reports on the consultations with stakeholders on the proposed role of Alexkor not completed
Number of SHCs signed per year	One 2025-26 Alexkor SHC signed	One 2025-26 Alexkor SHC not signed
Number of SHCs signed per year	One 2025-26 Alexkor SHC signed	One 2025-26 Alexkor SHC not signed
Number of SHCs signed per year	One 2025-26 Alexkor SHC signed	Not achieved: One 2025-26 Transnet SHC not signed
Number of SHCs signed per year	One 2025-26 Alexkor SHC signed	Not achieved: One 2025-26 Denel SHC not signed

Targets achieved: 47% Budget spent: 68%		
Key indicator not achieved	**Planned target**	**Reported achievement**
One 2025-26 SAA SHC signed	One 202526 SAA SHC signed	Not signed: One 2025-26 SAA SHC not signed
Number of progress reports on the implementation of "Just" Energy Transition Framework	Four progress reports on the implementation of "Just" Energy Transition Framework	Not achieved: Three progress reports on the implementation of "Just" Energy Transition Framework were not completed

Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

32. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA.
33. Material misstatements identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

34. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 20 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by irregular expenditure relating to deviation from the normal bidding process to procure through a single source.

Consequence management

35. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

Procurement and Contract Management

36. Some of the IT-related goods and services, classified as mandatory, were not procured through SITA as required by treasury regulation 16A6.3(e) and section 7(3) of the SITA Act.

Other information in the annual report

37. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
38. My opinion on the financial statements and my reports on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
39. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
40. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

41. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
42. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
43. Management did not adequately prepare accurate and complete financial reports that are supported and evidenced by reliable information; as a result, there were material misstatements and adjustments to the financial statements.
44. Management did not adequately implement controls over the daily and monthly processing and reconciling of transactions. Management did not implement adequate controls to ensure that transactions are recorded in the financial year in which they occurred and in line with the applicable accounting framework.
45. Management did not adequately review and monitor compliance with applicable laws and regulations; as a result, there were material non-compliances identified during the audit, which were also reported in the prior years.
46. Management did not effectively and adequately implement proper record keeping, ensuring that supporting information related to amounts disclosed in the notes of the annual financial statements is accessible and available to support financial and performance reporting, as various components had limitations.

Pretoria

12 September 2025

AUDITOR-GENERAL
SOUTH AFRICA

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:
- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d);38(1)(f); Section 38(1)(h)(iii); 38(1)(j); 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); Section 44; 45(b);
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; Regulation 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A7.1; 16A7.3; 16A7.6; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; Regulation 16A9.2(a)(ii); 16A9.2(a)(iii); 17.1.1; 18.2 Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 24 of 2024	Section 11(6)(a); 12(5); 16(1); 16(3)(a)(i); 16(3)(a)(ii)
National Health Act 61 of 2003	Section 13
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury Instruction No 7 of 2017/18	Paragraph 4.3
PFMA National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34 (1)
Public Service Regulations, 2016	Regulation 18 (1); 18 (2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Appropriation per programme									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	167 371	-	-	167 371	119 623	47 748	71,5%	149 936	142 696
2. State-owned Companies Governance Assurance and Performance	62 400	-	-	62 400	41 597	20 803	66,7%	63 098	62 054
3. Business Enhancement, Transformation and Industrialisation	66 719	-	-	66 719	45 025	21 694	67,5%	62 243	53 649
TOTAL	**296 490**	**-**	**-**	**296 490**	**206 245**	**90 245**	**69,6%**	**275 277**	**258 399**

	2024/25				2023/24	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)	**296 490**				**275 277**	**258 399**
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	811				940	
Actual amounts per statement of financial performance (Total revenue)	**297 301**				**276 217**	
Actual amounts per statement of financial performance (Total expenditure)		**206 245**				**258 399**

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Appropriation per economic classification									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**288 726**	**(1 858)**	**-**	**286 868**	**201 010**	**85 858**	**70,1%**	**269 843**	**252 989**
Compensation of employees	173 105	(1 329)	-	171 776	131 575	40 201	76,6%	167 311	154 333
Goods and services	115 621	(529)	-	115 092	69 435	45 657	60,3%	102 532	98 656
Transfers and subsidies	**3 448**	**1 329**	**-**	**4 777**	**4 621**	**156**	**96,7%**	**1 014**	**993**
Provinces and municipalities	21	-	-	21	1	20	4,8%	20	2
Households	3 427	1 329	-	4 756	4 620	136	97,1%	994	991
Payments for capital assets	**4 229**	**-**	**-**	**4 229**	**-**	**4 229**	**-**	**3 780**	**3 779**
Machinery and equipment	4 229	-	-	4 229	-	4 229	-	3 780	3 779
Payments for financial assets	**87**	**529**	**-**	**616**	**614**	**2**	**99,7%**	**640**	**638**
Total	**296 490**	**-**	**-**	**296 490**	**206 245**	**90 245**	**69,6%**	**275 277**	**258 399**

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Programme 1: Administration									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Ministry	35 472	**-**	**-**	**35 472**	**16 260**	**19 212**	**45,8%**	**33 804**	**29 278**
2. Management	11 328	-	-	11 328	8 588	2 740	75,8%	6 132	5 743
3. Communication	37 831	-	-	37 831	28 905	8 926	76,4%	37 638	36 951
4. Chief Financial Officer	21 716	-	-	21 716	17 950	3 766	82,7%	20 666	20 302
5. Human Resources	32 207	**(1 515)**	**-**	**30 692**	**21 816**	**8 876**	**71,1%**	**23 683**	**22 827**
6. Internal Audit	6 397	-	-	6 397	3 471	2 926	54,3%	5 353	5 241
7. Corporate Services	5 737	-	-	5 737	4 510	1 227	78,6%	5 234	4 934
8. Office Accommodation	16 683	1 515	-	18 198	18 123	75	99,6%	17 426	17 420
Total for sub programmes	**167 371**	**-**	**-**	**167 371**	**119 623**	**47 748**	**71,5%**	**149 936**	**142 696**
Economic classification									
Current payments	**159 642**	**(1 588)**	**-**	**158 054**	**114 565**	**43 489**	**72,5%**	**144 782**	**137 565**
Compensation of employees	89 310	(1 059)	-	88 251	61 904	26 347	70,1%	84 514	79 032
Goods and services	70 332	(529)	-	69 803	52 661	17 142	75,4%	60 268	58 533
Transfers and subsidies	**3 413**	**1 059**		**4 472**	**4 444**	**28**	**99,4%**	**734**	**714**
Provinces and municipalities	21	-	-	21	1	20	4,8%	20	2
Households	3 392	1 059	-	4 451	4 443	8	99,8%	714	712
Payments for capital assets	**4 229**	**-**	**-**	**4 229**	**-**	**4 229**	**-**	**3 780**	**3 779**
Machinery and equipment	4 229	-	-	4 229	-	4 229	-	3 780	3 779
Payments for financial assets	**87**	**529**	**-**	**616**	**614**	**2**	**99,7%**	**640**	**638**
Total	**167 371**	**-**	**-**	**167 371**	**119 623**	**47 748**	**71,5%**	**149 936**	**142 696**

Programme 2: State-owned Companies Governance Assurance and Performance									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	3 389	20	-	3 409	3 209	200	94,1%	2 929	2 914
2. Legal	23 516	-	-	23 516	10 967	12 549	46,6%	33 003	32 029
3. Governance	17 557	-	-	17 557	12 187	5 370	69,4%	14 248	14 198
4. Financial Assessment & Investment Support	17 938	(20)	-	17 918	15 234	2 684	85,0%	12 918	12 913
Total for sub programmes	**62 400**	**-**	**-**	**62 400**	**41 597**	**20 803**	**66,7%**	**63 098**	**62 054**
Economic classification									
Current payments	**62 400**	**(150)**		**62 250**	**41 569**	**20 681**	**66,8%**	**62 910**	**61 866**
Compensation of employees	35 973	(150)		35 823	30 535	5 288	85,2%	32 971	32 146
Goods and services	26 427			26 427	11 034	15 393	41,8%	29 939	29 720
Transfers and subsidies		**150**		**150**	**28**	**122**	**18,7%**	**188**	**188**
Households		150		150	28	122	18,7%	188	188
Total	**62 400**	**-**	**-**	**62 400**	**41 597**	**20 803**	**66,7%**	**63 098**	**62 054**

APPROPRIATION STATEMENT

for the year ended 31 March 2025

Programme 3: Business Enhancement, Transformation and Industrialisation									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Energy Resources	26 273	(1 180)	-	25 093	10 604	14 489	42.3%	14 985	13 488
2. Research and Economic Modelling	3 848	2 850	-	6 698	5 520	1 178	82.4%	7 631	5 204
3. Transport and Defence	14 203	(450)	-	13 753	10 020	3 733	72.9%	17 957	16 009
4. Business Enhancement Service	22 395	(1 220)	-	21 175	18 881	2 294	89.2%	21 670	18 948
Total for sub programmes	**66 719**	**-**	**-**	**66 719**	**45 025**	**21 694**	**67.5%**	**62 243**	**53 649**
Economic classification									
Current payments	**66 684**	**(120)**	-	**66 564**	**44 876**	**21 688**	**67.4%**	**62 151**	**53 558**
Compensation of employees	47 822	(120)	-	47 702	39 136	8 566	82.0%	49 826	43 155
Goods and services	18 862	-	-	18 862	5 740	13 122	30.4%	12 325	10 403
Transfers and subsidies	35	**120**	-	**155**	**149**	**6**	**96.1%**	**92**	**91**
Households	35	120	-	155	149	6	96.1%	92	91
Total	**66 719**	**-**	**-**	**66 719**	**45 025**	**21 694**	**67.5%**	**62 243**	**53 649**

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2025

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement)**
   Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.

2. **Detail of specifically and exclusively appropriated amounts voted (after Virement)**
   Detail of these transactions can be viewed in the note on Annual Appropriation to the Annual Financial Statements.

3. **Detail on payments for financial assets**
   Detail of these transactions can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. **Explanations of material variances from Amounts Voted (after Virement):**

4.1 Per programme

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	**R'000**	**R'000**	**R'000**	**%**
Administration	167 371	119 623	47 748	28.53%
State-owned Companies Governance Assurance and Performance	62 400	41 597	20 803	33.34%
Business Enhancement, Transformance and Industrialisation	66 719	45 025	21 694	32.52%
Total	**296 490**	**206 245**	**90 245**	**30.44%**

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	**R'000**	**R'000**	**R'000**	**%**
Current payments	**286 868**	**201 010**	**85 858**	**29.30%**
Compensation of employees	171 776	131 575	40 201	23.40%
Goods and services	115 092	69 435	45 657	39.67%
Transfers and subsidies	**4 777**	**4 621**	**156**	**3.27%**
Provinces and municipalities	21	1	20	95.24%
Households	4 756	4 620	136	2.86%
Payments for financial assets	**4 229**	**-**	**4 229**	**100%**
Machinery and Equipment	4 229	-	4 229	100%
Payments for financial assets	**616**	**614**	**2**	**0.33%**
Total	**296 490**	**206 245**	**90 245**	**30.44%**

The overall under expenditure was due to the transition arrangement arising from the proclamation to transfer all SOCs to policy departments. This had a negative impact on expenditure on both Compensation of Employees and Goods and Services. In addition, there was also a moratorium placed on the department by DPSA on the filling of vacancies since the date of Proclamation.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2025

	Note	2024/25		2023/24
		R'000		R'000
REVENUE				
Annual appropriation	1	296 490		275 277
Departmental revenue	2	811		940
TOTAL REVENUE		**297 301**		**276 217**
EXPENDITURE				
Current expenditure				
Compensation of employees	3	131 575		154 333
Goods and services	4	69 435		98 656
Total current expenditure		**201 010**		**252 989**
Transfers and subsidies				
Transfers and subsidies	6	4 621		993
Total transfers and subsidies		**4 621**		**993**
Expenditure for capital assets				
Tangible assets	7	-		3 779
Total expenditure for capital assets		**-**		**3 779**
Payments for financial assets	5	**614**		**638**
TOTAL EXPENDITURE		**206 245**		**258 399**
SURPLUS/(DEFICIT) FOR THE YEAR		**91 056**		**17 818**
Reconciliation of Net Surplus/(Deficit) for the year				
Voted funds		90 245		16 878
Annual appropriation		90 245		16 878
Departmental revenue and NRF receipts	*12*	811		940
Capitalisation reserve				
SURPLUS/(DEFICIT) FOR THE YEAR		**91 056**		**17 818**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	Note	2024/25		2023/24
		R'000		R'000
ASSETS				
Current assets		**319 917**		**229 197**
Cash and cash equivalents	*8*	319 538		229 139
Receivables	*9*	379		58
Non-current assets		**423 391 457**		**383 392 358**
Investments	*10*	423 391 457		383 391 733
Receivables		-		625
TOTAL ASSETS		**423 711 374**		**383 621 555**
LIABILITIES				
Current liabilities		**319 604**		**229 299**
Voted funds to be surrendered to the Revenue Fund	*11*	90 245		16 878
Departmental revenue to be surrendered to the Revenue Fund	*12*	11		612
Payables	*13*	229 348		211 809
TOTAL LIABILITIES		**319 604**		**229 299**
NET ASSETS		**423 391 770**		**383 392 256**

	Note	2024/25		2023/24
		R'000		R'000
Represented by:				
Capitalisation reserve		423 391 457		383 391 733
Recoverable revenue		313		523
TOTAL		**423 391 770**		**383 392 256**

STATEMENT OF CHANGES IN ASSETS

as at 31 March 2025

	Note	2024/25		2023/24
		R'000		R'000
Capitalisation reserves				
Opening balance		383 391 734		339 391 734
Transfers				
Movement in equity		**39 999 723**		**44 000 000**
Other movements				
Closing balance		423 391 457		383 391 734
Recoverable revenue				
Opening balance		522		736
Transfers:		(209)		(214)
Recoverable revenue written off	5.1	(522)		-
Debts revised				(214)
Debts raised		313		
Closing balance		313		522
TOTAL		**423 391 770**		**383 392 256**

CASH FLOW STATEMENT

for the year ended 31 March 2025

	Note	2024/25		2023/24
		R'000		R'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		297 231		276 217
Annual appropriation funds received	*1.1*	296 490		275 277
Departmental revenue received	*2*	741		940
Net decrease in net working capital		17 843		16 753
Surrendered to Revenue Fund		(18 290)		(257 272)
Current payments		(201 010)		(252 989)
Payments for financial assets	*5*	(614)		(638)
Transfers and subsidies paid		(4 621)		(993)
Net cash flow available from operating activities	**14**	**90 539**		**(218 922)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for capital assets	*7*	-		(3 779)
Proceeds from sale of capital assets	*2.2*	70		
Decrease in Investment	*10*	-		
Decrease in non-current receivables	*14*	-		208
Net cash flow available from investing activities		**70**		**(3 571)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in net assets		(210)		(214)
Net cash flows from financing activities		**(210)**		**(214)**
Net increase in cash and cash equivalents		90 399		(222 707)
Cash and cash equivalents at beginning of period		229 139		451 846
Cash and cash equivalents at end of period		**319 538**		**229 139**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information. The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.	
1.	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	**Going concern** The financial statements have been prepared on a going concern basis. Although the Department ceased to exist by the 31 March 2025, and no funds were allocated to the Department post 31 March 2025, the oversight function on State -Owned Companies in the former DPE portfolio, have been transferred to the respective policy Departments as per the Presidential Proclamation, dated 23 August 2024.
3.	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4.	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6.	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7.	**Revenue**

7.1	**Appropriated funds** Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: - it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and - the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.
8.	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. At commencement of the finance lease term, finance lease assets acquired are recorded and measured at: the fair value of the leased asset; or if lower, the present value of the minimum lease payments. Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.
9.	**Aid assistance**
9.1	**Aid assistance received** Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amounts receivable. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	**Aid assistance paid** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10.	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11.	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.
12.	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13.	**Investments** Investments are recognised in the statement of financial position at cost.
14.	**Financial assets**
14.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15.	**Payables** Payables recognised in the statement of financial position are recognised at cost.
16.	**Capital Assests**
16.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	**Intangible capital assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

17.	**Provisions and contingents**
17.1	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
18.	**Unauthorised expenditure** Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised expenditure incurred in the current year.
19.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
20.	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

21.	**Changes in accounting policies, estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22.	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23.	**Principal-Agent arrangements** The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24.	**Departures from the MCS requirements** *[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]*
25.	**Capitalisation reserve** The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/ Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26.	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27.	**Related party transactions** Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
28.	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.
29.	**Transfer of functions** Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2024/25			2023/24		
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	167 371	167 371	-	149 936	149 936	-
State-owned Companies Governance Assurance and Performance	62 400	62 400	-	63 098	63 098	-
Business Enhancement, Transformance and Industrialisation	66 719	66 719	-	62 243	62 243	-
Total	**296 490**	**296 490**	**-**	**275 277**	**275 277**	**-**

2. Departmental revenue

	Note	2024/25		2023/24
		R'000		R'000
Sales of goods and services other than capital assets	*2.1*	**69**		**70**
Sales of capital assets	*2.2*	70		-
Transactions in financial assets and liabilities	*2.3*	672		870
Total		**811**		**940**

2.1. Sales of goods and services other than capital assets

	Note	2024/25		2023/24
		R'000		R'000
Sales of goods and services produced by the department		**69**		**70**
Sales by market establishment		36		38
Administrative fees				
Other sales		**33**		**32**
Total		**69**		**70**

2.2. Sales of capital assets

	Note	2024/25		2023/24
		R'000		R'000
Tangible capital assets		**70**		
Machinery and equipment		70		-
Total		**70**		**-**

2.3. Transactions in financial assets and liabilities

	Note	2024/25		2023/24
		R'000		R'000
Receivables		**672**		**870**
Total		**672**		**870**

2.3.1. Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

	Note	2024/25		2023/24
		R'000		R'000
Gifts	*Annex 1H*	**3**		**-**
Total gifts, donations and sponsorships received in kind		**3**		**-**

3. Compensation of employees

3.1. Analysis of balance

	Note	2024/25		2023/24
		R'000		R'000
Basic salary		86 604		101 519
Performance award		79		561
Service based		120		72
Compensative/circumstantial		6 151		6 832
Periodic payments		617		1 471
Other non-pensionable allowances		24 288		29 683
Total		**117 859**		**140 138**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

3.2. Social contributions

	Note	2024/25		2023/24
Employer contributions		**R'000**		**R'000**
Pension		10 499		11 150
Medical		3 200		3 025
Bargaining council		17		20
Total		13 716		14 195
Total compensation of employees		131 575		154 333
Average number of employees		126		162

4. Goods and services

	Note	2024/25		2023/24
Employer contributions		**R'000**		**R'000**
Administrative fees		191		532
Advertising		-		239
Minor assets	*4.1*	-		55
Bursaries (employees)		905		88
Catering		159		115
Communication		2 447		2 453
Computer services	*4.2*	7 719		9 533
Consultants: Business and advisory services	*4.8*	9 295		13 109
Legal services		4 836		25 580
Contractors		4 753		1 930
Agency and support / outsourced services		277		132
Entertainment		4		12
Audit cost - external	*4.3*	5 781		4 844
Fleet services		759		1 455
Consumables	*4.4*	638		1 976
Operating leases		15 497		15 183
Property payments	*4.5*	5 462		7 374
Rental and hiring		2		-
Travel and subsistence	*4.6*	8 594		11 870
Venues and facilities		258		196
Training and development		921		179
Other operating expenditure	*4.7*	937		1 801
Total		**69 435**		**98 656**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

4.1. Minor assets

	Note	2024/25	2023/24
		R'000	R'000
Tangible capital assets		-	55
Machinery and equipment		-	55
Total		**-**	**55**

4.2. Computer services

	Note	2024/25	2023/24
		R'000	R'000
SITA computer services		2 760	3 648
External computer service providers		4 959	5 885
Total		**7 719**	**9 533**

4.3. Audit cost - external

	Note	2024/25	2023/24
		R'000	R'000
Regularity audits		5 781	4 844
Total		**5 781**	**4 884**

4.3. Audit cost - external

	Note	2024/25	2023/24
		R'000	R'000
Consumable supplies		492	519
Household supplies		**275**	**234**
IT consumables		**165**	
Other consumables		**52**	**285**
Stationery, printing and office supplies		**146**	**1 457**
Total		**638**	**1 976**

4.5. Property payments

	Note	2024/25		2023/24
		R'000		R'000
Municipal services		3 321		2 995
Other		2 141		4 379
Total		**5 462**		**7 374**

4.6. Travel and subsistence

	Note	2024/25		2023/24
		R'000		R'000
Local		3 642		6 374
Foreign		4 952		5 496
Total		**8 594**		**11 870**

4.7. Other operating expenditure

	Note	2024/25		2023/24
		R'000		R'000
Professional bodies, membership and subscription fees		308		737
Resettlement costs		2		
Other		627		1 064
Total		**937**		**1 801**

4.8. Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)

	Note	2024/25		2023/24
Name of Commission / Committee of Inquiry		R'000		R'000
Audit and Risk Committee		566		984
Total		**566**		**984**

5. Payments for financial assets

	Note	2024/25		2023/24
		R'000		R'000
Debts written off	*5.1*	614		638
Total		**614**		**638**

5.1. Debts written off

	Note	2024/25		2023/24
Nature of debts written off		R'000		R'000
Recoverable revenue written off				
Employees		263		-
Ex Employees		261		-
Total		524		-
Other debt written off				
Ex Employees		5		29
Suppliers		67		609
Employees		18		-
Total		90		638
Total debt written off		**614**		**638**

6. Transfers and subsidies

	Note	2024/25		2023/24
		R'000		R'000
Provinces and municipalities	*Annex 1A*	1		2
Households	*Annex 1G*	4 620		991
Total		**4 621**		**993**

Severance benefits are in terms of funds paid to former employees

6.1. Gifts, donations and sponsorships made in kind (not included in the main note)

	Note	2024/25		2023/24
		R'000		R'000
Gifts	*Annex 1J*	702		-
Total		**702**		**-**

The Department seconded two officials to different departments to perform official duties and functions.

7. Expenditure for capital assets

	Note	2024/25		2023/24
		R'000		R'000
Tangible capital assets		-		
Machinery and equipment		-		3 779
Total		**-**		**3 779**

7.1. Analysis of funds utilised to acquire capital assets - Prior year

	2024/25		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets			
Machinery and equipment	**3 779**	**-**	**3 779**
Total	**3 779**	**-**	**3 779**

8. Cash and cash equivalents

	Note	2024/25		2023/24
		R'000		R'000
Consolidated Paymaster General Account		90 296		17 381
Cash on hand		34		55
Investments (Domestic)		229 208		211 703
Total		**319 538**		**229 139**

An amount of R 229,2 million was ring fenced against the disbursement of funds to beneficiaries of Telkom Shares, after Telkom was acquired by Government.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

9. Receivables

	Note	Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	*8.1*	66	-	66			
Recoverable expenditure	*8.2*	313	-	313	-	-	-
Staff debt	*8.3*	-	-	-	52	324	376
Other receivables	*8.4*	-	-	-	6	301	307
Total		**379**	**-**	**379**	**58**	**625**	**683**

The amount of R379 thousand represents a departmental claim of R66 thousand and bursary debts of R313 thousand.

9.1. Claims recoverable

	Note	2024/25		2023/24
		R'000		R'000
National departments		66		-
Total		**66**		**-**

9.2. Recoverable expenditure

	Note	2024/25		2023/24
		R'000		R'000
Employees (bursary debts)		313		-
Total		**313**		**-**

9.3. Staff debt

	Note	2024/25		2023/24
		R'000		R'000
Staff debts		-		376
Total		**-**		**376**

9.4. Other receivables

	Note	2024/25		2023/24
		R'000		R'000
Suppliers		-		67
Ex-employees		-		240
Total		**-**		**307**

10. Investments

Non-current	Note	2024/25 R'000		2023/24 R'000
Shares and other equity				
List investments at cost				
Alexkor SOC Ltd		400 000		400 000
Denel SOC Ltd		15 203 961		15 203 961
Eskom SOC Ltd		325 550 000		285 550 276
Safcol SOC Ltd		318 013		318 013
Transnet SOC Ltd		18 497 986		18 497 986
South African Express SOC Ltd		2 277 395		2 277 395
South African Airways SOC Ltd		61 144 102		61 144 102
Total non-current investments		**423 391 457**		**383 391 734**

Analysis of non-current investments	Note	2024/25 R'000		2023/24 R'000
Opening balance		383 391 734		339 391 734
Non-cash movements		39 999 723		44 000 000
Closing balance		**423 391 457**		**383 391 734**

There is no movement in the cost of investment since there was no payment made to the SOCs.

10.1. Impairment of investments

	Note	2024/25 R'000		2023/24 R'000
Estimate of impairment of investments				
Alexkor SOC Ltd		21 515		-
Denel SOC Ltd		15 203 961		15 203 961
Eskom SOC Ltd		47 205 000		23 281 276
South African Express SOC Ltd		*2 277 395*		2 277 395
South African Airways SOC Ltd		*54 465 102*		55 138 762
Total		**119 172 973**		95 901 395

To estimate the reduction in the recorded carrying value (cost of investment), the impairment of investment is calculated by determining the difference between the cost of investment and net asset value, as recorded in the books of the SOCs at the reporting date.
The amounts for net asset value of investments and profit/loss are based on draft annual financial statement submitted by SOC's after year end. The amounts are still subject to SOCs external audit processes and therefore subject to change. Each SOC publishes its own audited financial statements, as such, updated amounts may be obtained from the SOCs published audited financial statements.
The total impairment for the current financial year amounts to R119.173 billion which is in respect of Alexkor, Denel, Eskom, SAA and SA Express.
The total cost of investment in SA Express has been impaired fully as the future economic benefits of this investment is reflected at negative asset values or at no value.
The two SOCs have not been impaired since the cost of investment of Transnet and SAFCOL are lower than their net asset value.

11. Voted funds to be surrendered to the Revenue Fund

	Note	2024/25		2023/24
		R'000		R'000
Opening balance		16 878		256 941
Transferred from statement of financial performance (as restated)		90 245		16 878
Paid during the year		(16 878)		(256 941)
Closing balance		**90 245**		**16 878**

Voted funds to be surrendered will be transferred to National Treasury through BAS balance conversion process upon finalisation of the AFS

12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2024/25		2023/24
		R'000		R'000
Opening balance		612		3
Transferred from statement of financial performance (as restated)		811		940
Paid during the year		(1 412)		(331)
Closing balance		**11**		**612**

Departmental Revenue to be surrendered will be transferred to National Treasury through BAS conversion process upon finalisation of the AFS

13. Payables - current

	Note	2024/25		2023/24
		R'000		R'000
Clearing accounts	**13.1**	140		106
Other payables	13.2	229 208		211 703
Total		**229 348**		**211 809**

13.1. Clearing accounts

Description	Note	2024/25 R'000		2023/24 R'000
Identify major categories, but list material items				
South African Revenue Service		*139*		2 277 395
Pension Fund		*1*		106
Total		**140**		106

13.2. Other payables

Description	Note	2024/25 R'000		2023/24 R'000
Identify major categories, but list material items				
Opening Balance - Diabo Trust		*211 703*		195 104
Interest		*17 505*		16 599
Total		**229 208**		211 703

Interest earned from the funds held by the Department of R17.5 million in the current period is not included as revenue earned in the Statements of Performance but as Payables in the current liabilities, in the Statement of Financial position.

14. Net cash flow available from operating activities

	Note	2024/25 R'000		2023/24 R'000
Net surplus as per Statement of Financial Performance		91 056		17 818
Add back non-cash/cash movements not deemed operating activities		(517)		(236 740)
Decrease in receivables		304		(46)
Decrease in prepayments and advances		-		154
Expenditure on capital assets		17 539		16 645
Expenditure on capital assets		(70)		-
Expenditure on capital assets		-		3 779
Surrenders to Revenue Fund		(18 290)		(257 272)
Net cash flow generated by operating activities		**90 539**		**(218 922)**

15. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2024/25		2023/24
		R'000		R'000
Consolidated Paymaster General account		90 296		17 381
Cash on hand		34		55
Cash with commercial banks (Local)		229 208		211 703
Total		**319 538**		**229 139**

16. Contingent liabilities and contingent assets

16.1. Contingent liabilities

Liable to	Nature	Note	2024/25		2023/24
			R'000		R'000
Other guarantees		*Annex 3A*	397 309 584		382 431 600
Claims against the department		*Annex 3B*	28 542		28 542
Total			**397 338 126**		**382 460 142**

According to section 70 of the PFMA, Act 1 of 1999 (as amended by Act 29 of 1999) the Department is responsible for reporting all guarantees that were issued to Public Entities under its control.
The guarantee exposure is equal to the sum of the closing balances, accrued interest and revaluation adjustments on inflation linked bonds due to changes to the inflation rates.
An amount of R28.5 million for claims against the state relates to claims by the ex-employees for alleged constructive dismissal, discrimination and unfair treatment by the Department.

17. Accruals and payables not recognised

17.1. Accruals

		2024/25				2023/24
		30 Days	30+ Days	Total		Total
Listed by economic classification	Note	R'000	R'000	R'000		R'000
Goods and services		83	-	83		2 176
Total		83	-	**83**		**2 176**

Listed by programme level	Note	2024/25		2023/24
		R'000		R'000
Administration		83		802
SOC Governance Assurance & Performance		-		1 363
Business Enhancement & Industrialisation		-		11
Total		**83**		**2 176**

17.2. Payables not recognised

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
Listed by economic classification	**Note**	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		20	-	20	1 894
Total		20	-	**20**	**1 894**

		2024/25	2023/24
Listed by programme level	**Note**	**R'000**	**R'000**
Administration		20	40
SOC Governance Assurance & Performance		-	1 853
Business Enhancement & Industrialisation		-	1
Total		**20**	**1 894**

The Administrative function of DPE as outlined in the Public Service Act 1994 (Proclamation no 103 of 1984) and Public Finance Management Act, 1999 (Act 1 of 1999) has been transferred to Minister in the Presidency for Planning, Monitoring and Evaluation. As a result, DPME will process these invoices for payment.

18. Employee benefits

		2024/25	2023/24
	Note	**R'000**	**R'000**
Leave entitlement		6 189	7 454
Service bonus		2 882	2 923
Capped leave		1 368	1 396
Total		**10 439**	**11 773**

19. Lease commitments

19.1. Operating lease

	2024/25				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				243	243
Later than 1 year and not later than 5 years				10	10
Total lease commitments				**253**	**253**

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				497	497
Later than 1 year and not later than 5 years				253	253
Total lease commitments				**750**	**750**

19.2. Finance leases

	2024/25				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				17	17
Later than 1 year and not later than 5 years					
Total lease commitments				**17**	**17**

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				279	279
Later than 1 year and not later than 5 years				45	45
Total lease commitments				**324**	**324**

The finance lease relates to cell phone contracts and have been transferred to the relevant Departments on 1 April 2025.

20. Unauthorised, Irregular and Fruitless and wasteful expenditure

		2024/25		2023/24
	Note	R'000		R'000
Irregular expenditure - current year		2 397		7 830
Fruitless and wasteful expenditure - current year		-		18
Total		**2 397**		**7 848**

The irregular expenditure amounting to R2.4 million was identified as irregular expenditure relating to deviation from normal bidding process to procure through a single source.

21. Related party transactions

		2024/25		2023/24
Other	Note	R'000		R'000
Guarantees issued/received		34 153 406		52 556 723
Total		**34 153 406**		**52 556 723**

Related party relationship and the nature thereof

Name of Entity	Relationship	Nature of Operations
Alexkor	Shareholder Representative	A diamond mining company that operates primarily in Alexander Bay and the greater Namaqualand area.
Denel		Denel is responsible for manufacturing defence equip-ment and maintains sovereign and strategic defence capabilities on behalf of the state.
South African Express Airways		SA Express is a domestic and regional air carrier.
South African Airways		South African Airways is the South African national airline.
South African Forestry Company		SAFCOL is government's forestry company which conducts timber harvesting, timber processing and related activities both domestically and regionally.
Eskom		Eskom generates, transmits and distributes electricity to industrial, mining, commercial, agricultural and resi-dential customers and redistributors.
Transnet		Transnet is a freight and logistics company responsible for pipelines, ports, and rail transport infrastructure and operations in South Africa.
Department of Planning, Monitoring and Evalua-tion. (DPME)	The administrative function of the Minister of Public Enterprises as outlined in the Public Service Act 1994 (Proclamation no 103 of 1984). Public Finance Management Act, 1999 (Act 1 of 1999) has been transferred to the Minister for Planning, Monitoring and Evaluation	DPME has a core function of coordinating, supporting, and monitoring government planning, particularly in relation to the National Development Plan (NDP) and the Medium-Term Strategic Framework (MTSF). It also plays a key role in evaluating government pro-grams and initiatives to improve service delivery and outcomes.

22. Key management personnel

		2024/25		2023/24
	Note	R'000		R'000
Political office bearers		4 868		4 795
Officials:				
Level 15-16		10 558		19 683
Level 14		19 602		13 511
Total		**35 028**		**37 989**

23. Non-adjusting events after reporting date

The Department of Public Enterprises ceased to exist after 31 March 2025. This follows the transfer of functions performed by the Minister of Planning, Monitoring and Evaluation supported by the Department of Public Enterprises being transferred to various other Ministers as a result of the Proclamation Notice No 176 of 2024 in August 2025. All the assets and liabilities of the Department have been transferred to the receiving Departments on 1 April 2025.

The table below shows the financial effect of the transfer:

		Balance before transfer date	Functions transferred	Functions transferred	Functions transferred	Functions transferred		Functions transferred	Balance after transfer date
			Dept of Transport	Dept of Defence	Dept of Forestry, Fishery and Environment	Dept of Electricity and Energy	Dept of Mineral Resources	Dept of Planning, Monitoring and Evaluation	
	Note	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
ASSETS									
Current Assets		**319 917**	**(57)**	**(170)**	**-**	**(24)**	**(10)**	**(90 448)**	**229 208**
Cash and cash equivalents- Diabo Share Trust *		229 208	-	-	-	-	-	-	229 208
Cash and cash equivalents- Bank Account **		90 296	-	-	-	-	-	(90 296)	-
Cash and cash equivalents- Petty Cash **		34	-	-	-	-	-	(34)	-
Receivables		379	(57)	(170)	-	(24)	(10)	(118)	-
Non-Current Assets		**423 391 457**	**(81 919 483)**	**(15 203 961)**	**(318 013)**	**(325 550 000)**	**(400 000)**	**-**	**-**
Investments		423 391 457	(81 919 483)	(15 203 961)	(318 013)	(325 550 000)	(400 000)	-	-
TOTAL ASSETS		**423 711 374**	**(81 919 540)**	**(15 204 131)**	**(318 013)**	**(325 550 024)**	**(400 010)**	**(90 448)**	**229 208**
LIABILITIES									
Current Liabilities		**(319 604)**	**-**	**-**	**-**	**-**	**-**	**(90 396)**	**229 208**
Voted funds to be surrendered to the Revenue Fund ***		(90 245)	-	-	-	-	-	90 245	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund ****		(11)	-	-	-	-	-	11	--
Payables - Diabo Trust*		(229 208)	-	-	-	-	-		229 208
Payables - Clearing accounts *****		(140)	-	-	-	-	-	140	-
TOTAL LIABILITIES		**(319 604)**	**-**	**-**	**-**	**-**	**-**	**90 396**	**229 208**
NET ASSETS		**423 391 770**	**(81 919 540)**	**(15 204 131)**	**(318 013)**	**(325 550 000)**	**(400 010)**	**(180 844)**	**-**

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		Balance before transfer date	Functions transferred	Functions transferred	Functions transferred	Functions transferred		Functions transferred	Balance after transfer date
			Dept of Transport	Dept of Defence	Dept of Forestry, Fishery and Environment	Dept of Electricity and Energy	Dept of Mineral Resources	Dept of Planning, Monitoring and Evaluation	
	Note	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Contingent liabilities		397 309 583	(44 714 167)	-	-	(352 595 416)	-	-	-
Accruals		83	-	-	-	-	-	(83)	-
Payables not recognised		20	-	-	-	-	-	(20)	-
Employee benefits		10 439	(2 248)	(770)	(822)	(3 569)	(1 368)	(1 662)	-
Lease commitments - Operating leases		253						253	-
Lease commitments - Finance leases		17	(11)	-	(6)	-	-	-	-
Irregular expenditure******		2 397							2 397
Impairment		119 172 973	(56 742 497)	(15 203 961)	-	(47 205 000)	(21 515)	-	-
Movable tangible capital assets *******		38 175							38 175
Minor Assets		5 796							5 796
Intangible capital assets		605							605

** The Diabo Share Trust Account was managed by the DPE upon dissolution of Telkom SOC Ltd. Since the closure of DPE there have been numerous engagements between DPE, DPME, DPSA, National Treasury and Presidency to decide the future of the Diabo Share Trust however as at the closure date there has been no decision taken on the transfer of the Trust. The account is currently held at the SARB in the Corporation for Public Deposits.*
*** All the DPE commercial accounts including the departmental PMG account has been closed with the effective date of 31/03/2025. All balances in these accounts have been transferred to the DPME for further clearing.*
**** The voted funds to be surrendered will be transferred to the National Treasury (Exchequer Grant Account) via the DPME, when the balance conversion process is carried out by National Treasury.*
***** The accrued revenue will be surrendered to the National Treasury (National Revenue Fund) via the DPME when the balance conversion process is carried out by National Treasury.*
****** Third party payables (SARS & GEPF) have been transferred to the DPME for further processing. The amounts in question have since been paid over to the respective entities by DPME.*
*******The irregular expenditure relates to deviation from normal bidding process to procure through a deviation and to procure as an urgent service. At the time of DPE closure the Department was still waiting for a response from National Treasury.*
********The process of asset distribution is still in progress*

24. Movable Tangible Capital Assets

	2024/25				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**44 741**			**(6 566)**	**38 175**
Transport assets	7 101			(454)	6 647
Computer equipment	23 597			(2 723)	20 874
Furniture and office equipment	5 599			(724)	4 875
Other machinery and equipment	8 443			(2 665)	5 778
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**44 741**			**(6 566)**	**38 175**

The assets were transferred to the six (6) receiving departments and only DMRE submitted the signed certificate, therefore their transfer value has been disposed.

24.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**47 287**	**-**	**3 779**	**(6 325)**	**44 741**
Transport assets	7 101	-	-		7 101
Computer equipment	24 874	-	3 308	(4 585)	23 597
Furniture and office equipment	5 517	-	404	(322)	5 599
Other machinery and equipment	9 794	-	67	(1 418)	8 443
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**47 287**	**-**	**3 779**	**(6 325)**	**44 741**

24.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance		28	-	5 768	-	-	5 796
Value adjustments							
Additions							
Disposals							
Total Minor assets		**28**		**5 768**			**5 796**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets							
Number of minor assets at cost							
Total number of minor assets							
Disposals							
Total Minor assets							

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	36	-	6 076	-	-	6 112
Prior period error	-	-	-	-	-	-	
Additions	-	-	-	55	-	-	55
Disposals	-	(8)	-	(363)	-	-	(371)
Total Minor assets	**-**	**28**	**-**	**5 768**	**-**	**-**	**5 796**

25. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	605	-	-	605
TOTAL INTANGIBLE CAPITAL ASSETS	**605**	**-**	**-**	**605**

25.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	
SOFTWARE	1 416	-	-	(811)	605
TOTAL INTANGIBLE CAPITAL ASSETS	**1 416**	**-**	**-**	**(811)**	**605**

26. Transfer of functions and mergers

26.1. Transfer of functions

The State- Owned Companies in the DPE portfolio, have been transferred to the respective policy Departments

Legal Succession to the South African Transport Services Act, 1989 (Act No. 9 of 1989), Transnet Pension Fund Act, 1990 (Act No.62 of 1990),
South African Airways Act, 2007 Act No.5 of 2007), South African Express Act, 2007 (Act No.34 of 2007), has been transferred to Minister of Transport.

Alexkor Limited Act, 1992 (Act No.116 of 1992), has been transferred to Minister of Mineral and Petroleum Resources.

Management of State Forests Act, 1992 (Act No.128 of 1992), has been transferred to Minister of Forestry Fisheries and the Environment.

Eskom Conversion Act, 2001 (Act No.5 of 2001) has been transferred to Minister of Electricity and Energy.

The Administrative function of DPE as outlined in the Public Service Act 1994 (Proclamation no 103 of 1984) and Public Finance Management Act, 1999 (Act 1 of 1999) has been transferred to Minister in the Presidency for Planning, Monitoring and Evaluation.

The reason for the event is to promote coherence, better coordination, and optimizing the use of resources for efficient and effective administration.

The Department of Public Enterprises ceased to exist after 31 March 2025. All the assets and liabilities of the Department have been transferred to the receiving Departments on 1 April 2025. The financial impact relating to the transfer is shown in note 23 Non -adjusting events after reporting date.

27. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2024/25											2023/24	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Ad-just-ments	Total Available	Actual transfer	Funds withheld	Re-alloca-tions by National Treasury or National department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of avail-able funds spent by municipality	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
City of Tshwane Metropolitan Municipality	-	-	-	-	1	-	-	-	-	-	-	-	2
Total	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds trans-ferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Transfers	-	-	-	-	-	-	-	-
Leave Gratuity & Severance Benefits	4 751	-	-	4 751	4 620	97,2%	994	991
TOTAL	4 751	**-**	**-**	**4 751**	**4 620**		**994**	**991**

Severance benefits are in terms of funds paid to former employees

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2024/25	2023/24
		R'000	R'000
Received in kind			
Gifts			
Roads Agency Limpopo SOC Limited	Laptop Bag	2	-
Roads Agency Limpopo SOC Limited	Foldable Phone Stand	1	-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		**3**	**-**

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship *(Group major categories but list material items including name of organisation)*	2024/25	2023/24
	R'000	R'000
Made in kind		
Donations		
Secondment of Employees	702	-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**702**	**-**

The Department seconded two officials to different departments to perform official duties and functions.

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 24/25	% Held 23/24	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed
				Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	
				2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Yes/No
National / Provincial Public entity												
Alexkor SOC Ltd	2	100	100	400 000 000	400 000 000	400 000	400 000	378 485	393 384	(14 401)	33 326	No
Denel SOC Ltd	2	100	100	1 225 129 931	1 225 129 931	15 203 962	15 203 962	1 997 000	2 252 000	223 000	(523 000)	No
Eskom SOC Ltd	2	100	100	317 550 276 001	285 550 276 000	325 550 000	285 550 276	278 345 000	262 269 000	16 047 000	(55 015 000)	No
Safcol SOC Ltd	2	100	100	318 013 254	318 013 254	318 013	318 013	3 618 500	3 377 709	12 700	(42 000)	No
Transnet SOC Ltd	2	100	100	18 497 986 310	18 497 986 310	18 497 986	18 497 986	134 349 000	146 125 000	(1 906 000)	(7 327 000))	No
South African Express SOC Ltd	2	100	100	1 692 395 002	1 692 395 002	2 277 395	2 277 395	-	-	-	-	No
South African Airways SOC Ltd	2	99	99	13 276 436 932	13 276 436 932	61 144 102	61 144 102	6 679 000	6 005 340	185 000	(433 000)	No
TOTAL				352 960 237 430	320 960 237 429	423 391 458	383 391 734	425 366 985	420 422 433	14 547 299	[illegible]	

The State- Owned Companies in the DPE portfolio, have been transferred to the respective policy Departments as per the Presidential Proclamation. Assets and liabilities have been transferred on the 01 April 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of entity	Nature of business	Cost of investments R'000		Net Asset value of investments R'000		Amounts owing to entities R'000		Amounts owing by entities R'000	
		2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Controlled entities									
Alexkor SOC Ltd	Mining	400 000	400 000	378 485	393 384	-	-	-	-
Denel SOC Ltd	Manufacturing of Arms	15 203 962	15 203 962	1 997 000	2 252 000	-	-	-	-
Eskom SOC Ltd	Energy	325 550 000	285 550 276	278 345 000	262 269 000	-	-	-	-
Safcol SOC Ltd	Forestry	318 013	318 013	3 618 500	3 377 709	-	-	-	-
Transnet SOC Ltd	Transport	18 497 986	18 497 986	134 349 000	146 125 000	-	-	-	-
South African Express SOC Ltd	Transport	2 277 395	2 277 395	-	-	-	-	-	-
South African Airways SOC Ltd	Transport	61 144 102	61 144 102	6 679000	6 005 340	-	-	-	-
TOTAL		**423 391 458**	**383 391 734**	**425 366 985**	**420 422 433**	**-**	**-**	**-**	**-**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - LOCAL

Name of entity	Nature of business	Original guaranteed capital amount	Opening balance 1 April 2024	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2025	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2025
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Other								
Transnet	Recovery Plan Funding - short term	6 357 143	6 357 143		6 357 143				
	Recovery Plan Funding- DMTN	21 000 000	15 000 000	6 000 000			21 000 000		155 328
	Recovery Plan Funding - Citi Bank	3 000 000		3 000 000			3 000 000		49 562
	Recovery Plan Funding	392 857							
Sub-total		**30 750 000**	**21 357 143**	**9 000 000**	**6 357 143**	**-**	**24 000 000**		**204 890**
Eskom	Eskom Bonds - ES26		37 987 140	-	-	-	37 987 140		1 482 217
	Eskom Bonds - ES33		34 542 410	-	-	-	34 542 410		119 678
	Eskom Bonds - ES42		21 436 641	-	-	-	21 436 641		790 918
	Eskom Bonds - EL28		6 278 241	-	-	-	6 278 241	5 579 618	125 294
	Eskom Bonds - EL29		5 370 000	-	-	-	5 370 000	4 489 829	68 828
	Eskom Bonds - EL30		5 135 990	-	-	-	5 135 990	3 842 276	35 367
	Eskom Bonds - EL31		5 699 329	-	-	-	5 699 329	3 847 418	66 093
	Eskom Bonds - EL36		5 594 000	-	-	-	5 594 000	3 467 910	33 794
	Eskom Bonds - EL37		23 725 000	-	-	-	23 725 000	14 707 931	143 327
	Utilised	145 768 752	-	-	-	-	-	-	-
Sub-total		**145 768 752**	**145 768 751**	**-**	**-**	**-**	**145 768 751**	**35 934 983**	**2 865 517**
SAA	Going Concern 4	4 720 000	110 348	221 183			331 531		
	TOTAL	**181 238 752**	**167 236 242**	**9 221 183**	**6 357 143**	**-**	**170 100 282**	**35 934 983**	**3 070 407**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

ANNEXURE 3A (Continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2024	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2025	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2025
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Other								
Transnet	Euro-Rand medium term note(Tranche1) #	2 000 000	2 000 000	-	-	-	2 000 000	-	256 685
	Euro-Rand medium term note(Tranche2) #	1 500 000	1 500 000	-	-	-	1 500 000	-	-
	Recovery Plan Funding AfDB loan	14 000000	-	14 000000			14 000000	-	146 261
	Recovery Plan Funding NDB loan	2 250 000	-	2 250 000			2 250 000	-	24 800
Sub-total		**19 750 000**	**3 500 000**	**16 250 00**			**19 750 000**	**-**	**427 746**
Eskom	AfDB (ZAR)	10 630 000	3 927 664	-	(714 121)	-	3 213 543	-	43 394
	AfDB (EUR)	10 262 457	7 099 075	-	(1 224 586)	(253 313)	5 621 176	-	34 718
	World Bank (IBRD) ZAR	23 398 498	25 531 103	-	(1 766 647)	917	23 765 373	-	936 139
	AfDB -SERE USD	73 649	86 595	-	(11 225)	(2 954)	72 416	-	575
	Afdb -CTF USD	809 510	1 188 132	251 052	(15 667)	(31 311)	1 392 205	-	785
	World Bank (IBRD) CTF (USD250m)	1 992 925	4 511 524	9 680	(90 397)	(160 045)	4 270 762	-	2 673
	AFDB ZAR (Private Sector)	1 800 000	600 000	-	(133 333)	-	466 667	-	6 492
	AFDB USD (Private Sector)	2 581 034	1 660 066	-	(358 635)	(55 568)	1 245 863	-	11 693
	AFD (ZAR) - Sere	980 840	459 769	-	(61 303)	-	398 467	-	11 588
	AFD (ZAR)	2 273 055	1 932 097	-	(393 450)	-	1 818 444	-	68 460
	KFW DFI (ZAR)	3 934 500	2 163 975	-	-	-	1 770 525	-	490
	KFW (USD)	1 353 380	38 795	189 794	-	5 006	233 595	-	51
	MIGA	8 463 525	6 434 597	-	(872 542)	(224 404)	5 337 651	-	28 828
	AfDB A loan (USD)	148 250	126 912	-	(10 282)	(4 377)	112 254	-	1 365
	AfDB Senior Unsecured ZAR	5 292 354	3 528 236	-	294 020)	-	3 234 216	-	58 376
	CDB Short-Term (USD)-Medupi	20 131 950	25 556 904	-	(2 342 169)	(896 460)	22 318 274	-	87 088
	CDB Long-Term (USD)-Kusile	32 998 500	37 505 161	-	(2 147 420)	(1 344 037)	34 013 704	-	132 682
	CDB Long-Term (CNY)-Kusile			6 984 891		71 781	7 056 672		13 671
	USD 1bn bond	14 115 000	19 036 800	-	-	(667 900)	18 368 900	-	161 109
	AFDB ZAR (Public Sector)	2 886 000	837 470	917 337	(56 778)	-	1 698 028	-	27 043

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for the year ended 31 March 2025

ANNEXURE 3A (Continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2024	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2025	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2025
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	AFDB USD (Public Sector)	**346 000**	**401 740**	**25 648**	**(26 935)**	**(13 824)**	**386 629**	**-**	**3 133**
	AFD Tranche 1	1 441 305	1 441 305	-	(72 065)	-	1 369 240	-	50 339
	New Development Bank (NDB)	2 534 184	2 290 171	288 410	(152 974)	(75 173)	2 350 435	-	363
	USD 500m bond	7 374 350	9 518 400	-	-	(333 950)	9 184 450	-	74 428
	DB Club Facility (USD)	13 290 938	14 277 601	-	-	(500 925)	13 776 675	-	-
	Standard Bank (USD)	2 752 800	2 752 800	-	-	-	2 752 800	-	3 850
	World Bank Battery Storage Komati	8 070 539	20 916	15 411	-	(201)	36 127	-	1 064
	World Bank through Canada Clean Energy	872 243	-	-	-	-	-	-	679
Sub-total		**180 807 786**	**172 927 807**	**8 682 224**	**(10 858 200)**	**(4 486 739)**	**166 265 090**	**-**	**1 761 076**
	TOTAL	**200 557 786**	**176 427 807**	**24 932 223**	**(10 858 200)**	**(4 486 739)**	**186 015 090**	**-**	**2 188 822**

The State- Owned Companies in the DPE portfolio, have been transferred to the respective policy Departments as per the Presidential Proclamation. Assets and liabilities have been transferred on the 01 April 2025.

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

Nature of liability	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Labour disputes	28 542	-	-	-	28 542
TOTAL	**28 542**	**-**	**-**	**-**	**28 542**

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2025	Receipt date up to six (6) working days after year end	Amount
				R'000	R'000	R'000	R'000	R'000
Department								
Women, youth and persons with disabilities	66	-	-	-	66	-	-	-
TOTAL	**66**	**-**	**-**	**-**	**66**	**-**	**-**	**-**

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