SOUTH AFRICAN

CIVIL AVIATION AUTHORITY

ANNUAL REPORT 2023/2024

Keeping you safe in the sky

SOUTH AFRICAN

CIVIL AVIATION
AUTHORITY

Keeping you safe in the sky

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31 August 2024

Ms Barbara Creecy, MP
Minister of Transport
Private Bag X193
PRETORIA
0001

Minister Creecy,

It is a privilege and honour to hereby submit the 2023/24 Annual Report of the South African Civil Aviation Authority (SACAA). This report gives a comprehensive account of the SACAA's performance and efforts to fulfil its mandate for the period 1 April 2023 to 31 March 2024.

Yours sincerely

Mr Ernest Khosa
Chairperson: SACAA Board

PART A
GENERAL INFORMATION

1. GENERAL INFORMATION

REGISTERED NAME:	South African Civil Aviation Authority
PHYSICAL ADDRESS:	Ikhaya Lokundiza 1 16 Treur Close Waterfall Park Bekker Street Midrand, Johannesburg
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WEBSITE ADDRESS:	www.caa.co.za
EXTERNAL AUDITORS:	Auditor-General of South Africa (AGSA)
BANKERS:	Standard Bank of South Africa
COMPANY SECRETARY:	Ms Nivashnee Naraindath (BA, LLB, LLM, Admitted Attorney)
ISBN NUMBER:	978-0-621-52034-7

2. ABBREVIATIONS AND ACRONYMS

AFI Region	Africa-Indian Ocean Region
AFS	Annual Financial Statements
AGM	Annual General Meeting
AGSA	Auditor-General South Africa
AIID	Accident and Incident Investigation Division
APP	Annual Performance Plan
ATPL	Airline Transport Pilot License
ASI	Aviation Safety Infrastructure
AMO	Aviation Maintainance Organisation
AMORG	Manufacturing Organisation
ASO	Aviation Safety Operations
ATO	Aviation Training Organisation
ARC	Audit and Risk Committee
AME	Aviation Maintenance Engineer
AU	African Union
AvMed	Aviation Medicine
AvSec	Aviation Security
BA	Bachelor of Arts
B-BBEE	Broad-based Black Economic Empowerment
BCP	Business Continuity Plan
BIA	Business Impact Analysis
CARCom	Civil Aviation Regulations Committee
CAAF	Conference on Alternative Aviation Fuel
CAC	Civil Aviation Commission
CAP	Corrective Action Plan
CATS	Civil Aviation Technical Standards
CA Act	Civil Aviation Act
CC	Compliance Checklist
CAHRS	Confidental Aviation Hazard Reports
CASP	Civil Aviation Safety Plan
CSSR	Centralised Safety and Security Reporting
CE	Critical Elements
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMA	Continuous Monitoring Approach
DAR	Designated Airworthiness Representative
DoA	Delegation of Authority
DCA	Director of Civil Aviation
DoT	Department of Transport
EVP	Employee Value Proposition
ERDMS	Electronic Records and Document Management System
EI	Effective Implementation
ExCo	Executive Management Committee
ENAC	Ecole Nationale de l'Aviation
EVP	Employee Value Proposition
ESC	Essential Service Committee
FOP	Foreign Operator Permits

2. ABBREVIATIONS AND ACRONYMS

FY	Financial Year
GA	General Aviation
GDP	Gross Domestic Product
GEUSR	Group of Experts for USOAP CMA Structured Review
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
HRC	Human Resources Committee
ICAO	International Civil Aviation Organization
ICS	ICAO Compliance Section
ICT	Information and Communication Technology
ICVM	ICAO Coordinated Validation Mission
IT	Information Technology
MP	Member of Parliament
MSD	Minimum Service Determination
MTEF	Medium-Term Expenditure Framework
MOSP	Master Oversight and Surveillance Plan
NASP	National Aviation Security Programme
NCLB	No Country Left Behind
NUMSA	National Union of Metalworkers of South Africa
N/A	Not Applicable
NDP	National Development Plan
NGO	Non-Governmental Organisation
NTCA	Non Type Certified Aircraft
OJT	On The Job Training
PIA	Promotion of Access to Information Act
PFMA	Public Finance Management Act
PQ	Protocol Questions
PPQ	Priority Protocol Questions
POPIA	Protection of Personal Information Act
PSC	Passenger Safety Charge
RPAS	Remotely Piloted Aircraft Systems
RBO	Risk Based Oversight
SACAA	The South African Civil Aviation Authority
SADC	Southern African Development Community
SARPs	Standards and Recommended Practices
SCM	Supply Chain Management
SMP	Stakeholder Management Plan
SOE	State-Owned Enterprises
STI	Short Term Incentive
SSA	Safety Standards and Assurance
SSEC	Safety, Security and Environmental Committee
SRO	Southern Regional Office
TCA	Types Certified Aircraft
TR	Treasury Regulations
UN	United Nations
USAP	Universal Security Audit Programme
USOAP	Universal Safety Oversight Audit Programme

THE NEW HOME OF THE SACAA!

The South African Civil Aviation Authority (SACAA) headquarters, Ikhaya Lokundiza, is set to relocate its head office from its current premises in Waterfall Park, Midrand, to a new custom-built facility in Centurion as of 1 March 2025.

The move is driven by the need to:

- Accommodate the SACAA's growing staff and services.
- Enhanced operational efficiency,
- Improved employee safety and well-being
- A unified organisational culture.
- The location will also offer better accessibility for staff and our clients, supporting the SACAA's long-term growth and strategic goals.

The project has been managed through a structured and phased approach that focused on effective planning, coordination, risk management, quality assurance, and change management.

We look forward to seeing you at our new Ikhaya Lokundiza location in 2025.

FOREWORD BY THE BOARD CHAIRPERSON

Introduction

It is with a great sense of pride that I present the Annual Report for the South African Civil Aviation Authority (SACAA) for the 2023/24 financial year on behalf of the Board of Directors and the Management of the SACAA. This is the sixth Annual Report presented under my leadership as Chairman of the SACAA Board, having taken office on 1 December 2018.

This is also the fourth Annual Report that falls within the period of the SACAA's Five-Year Strategic Plan, which covers the period from 2020/21 to the 2024/25 financial years. The Strategic Plan serves as a blueprint for the SACAA's delivery of the assigned mandate over a five-year period.

The 2023/24 Annual Report is presented on the backdrop of the visible sector economic advancement with aviation 13.1% away from reaching pre-COVID-19 levels in terms of air passenger numbers. Our data suggests that the numbers will be comparable to, if not better than, pre-pandemic levels by the conclusion of the 2024/25 fiscal year.

In her State of Aviation Address in February 2024, the former Minister of Transport, Ms Sindisiwe Chikunga, announced that South Africa had processed five million visitors at our ports of entry, including borders, for the December 2023 festive period. Some 3.5 million passengers travelled through our country's airports. This exceeded the forecast of 3.4 million passengers. Our regional passenger volumes totalled 73 492, while domestic passenger volumes accounted for 2.4 million passengers.

In total, more than 13 050 aircraft were processed at South African international airports.

This is another clear indication that vibrancy is back in aviation!

Business Continuity Model

In the period under review, the SACAA's objective was to have consistent and reputable processes for all aspects of Business Continuity Management (BCM), development and execution. This requires not only resilience in day-to-day business operations, but also in managing unexpected disruptive events with efficacy.

Business disruptions can impact organisations of any size and in any location, from weather to power outages, political unrest, spillages, or even pandemics. Therefore, organisations should develop Business Continuity Plans (BCPs) to ensure operational resilience, no matter the type of disruption. The SACAA conducts its Business Impact Analysis (BIAs) and reviews its BCPs on an annual basis, or as circumstances dictate.

The SACAA's business continuity programme demonstrated its maturity, status, and effectiveness on an ongoing basis during 2023/24 through scheduled, announced, and scenario testing.

This ensured that the SACAA's working environment, including virtual platforms and desktops, enabled seamless workforce productivity, giving employees the flexibility to work from anywhere while keeping applications and information secure. The COVID-19 lockdown period between 2020 and 2022 led the SACAA to adopt a hybrid working arrangement that promotes flexibility, work-life balance and increased productivity.

Governance

The organisation achieved another unqualified audit outcome and a clean audit for the 11th time in the past 12 years since the Auditor-General South Africa first audited it in 2012. The organisation also attracted no findings in this audit, making this the second year in a row that the organisation achieved no findings. This financial prudence in the management of the organisation's financial resources must be commended as it speaks directly to the maturity of corporate governance principles within the SACAA.

For this 2023/24 financial year, there was no irregular, wasteful and fruitless expenditure incurred. All suppliers with valid invoices were paid within 30 days in line with the Public Finance Management Act (PFMA) legislative framework. The entity continues to comply fully with the PFMA.

The SACAA continued to exceed set targets over this period and this consistency is commendable. It is noteworthy to report that the entity has gone back to its known performance levels as it again achieved 100% in the implementation of predetermined objectives, making this the ninth time that the entity achieved this feat in the last ten years. This is a deliverable in the Performance Agreement between the Board, the Director of Civil Aviation, and the Executive Authority in the Department of Transport.

Furthermore, the Regulator remained steadfast in its support of impeccable ethics and transparent administration.The organisation achieved all its plans in the implementation of the Ethics and the Forensic Fraud and Corruption annual plans promoting accountability and consequence management where necessary.

Financial Prudence

The organisation continues to implement cost containment measures based on a solid foundation driven towards financial prudence, as exemplified by the unqualified audit outcome from the Office of the Auditor-General South Africa.

For this reporting period, the entity again received support from the Department of Transport to ensure that delivery of the mandate is not compromised as the industry recovers from the COVID-19 pandemic. The organisation is well on its way to rebuilding its cash reserves meaning it is prepared for any future business disruptions that may not have been pre-empted.

Aviation Safety and Security

One of the strategic outcomes of the SACAA is to enhance aviation safety and security in the country. South Africa continues to maintain her exemplary standards of 0% fatalities in commercial airline operations, a measurement that the country has remained proud of for nearly four decades.

During this reporting period, the Regulator completed the implementation of several safety and security programmes aimed at improving the levels of safety and security within civil aviation. These includes the Industry Cyber Security Strategy, the Civil Aviation Safety Plan, the Risk-based Oversight model and the implementation of the General Aviation Strategy that aims to reduce accidents and incidents in this sector.

South Africa, through the SACAA, continues to present a good safety rating and as part of the ICAO's eight critical elements of the safety oversight system managed to increase its rating to 91,11% from the 86.39% in the year under review.

With this, South Africa became the first African State to surpass the 90% mark in the ICAO safety oversight audits and was also ranked 19th in the world.

This outcome also comes after the State attracted no significant security concern in the Universal Security Audit Programme-Continuous Monitoring Approach (USAP-CMA) audit conducted in August 2022.

25 Years of Excellence

This past financial year, the Regulator marked 25 years of existence with a celebratory SACAA 25th Anniversary Airshow with industry and the community.

It is gratifying to note how this organisation continues to grow from strength to strength with an exemplary governance and aviation safety record that is the envy of many organisations in the world.

The new SACAA Home

On behalf of the SACAA Board, it also gives me great pleasure to announce that the SACAA will be moving its headquarters from March 2025, relocating from the current business premises in Midrand.

The SACAA has grown over the years in direct response to the activity in the industry. This has resulted in the increased number of expertise required to ensure complete coverage in the oversight system and this has resulted in the need for bigger premises to accommodate the growing employee population. The organisation has adopted a hybrid working model and the new premises has taken this view on board.

The SACAA Board

In this period, our Board contingent increased to seven with the appointment of two additional members, namely Advocate Mpati Lebakeng and Mr. Tshepo Peege by the Minister of Transport on 23 June 2023. The two new additions have not only hit the ground running but provided valuable expertise and contributions that has already proved to be crucial to the organisation in their short tenure.

Currently, there is one Board vacancy that remains to be filled, and we look forward to having a full complement of eight Board Members in the ensuing year.

Acknowledgments

On behalf of the entire SACAA Board, I would like to express my appreciation to the former Minister of Transport, Ms. Sindisiwe Chikunga and the Deputy Minister of Transport, Ms. Lisa Mangcu for their unwavering support and leadership during this reporting period.

They contributed significantly to the organisation's ability to carry out the Regulator's assigned responsibilities for civil aviation by offering direction and insight.

We are also grateful for the continued financial support that is received from the Department of Transport, whose financial support over the past four years has ensured that the organisation continues to fulfil its mandate as a national regulator.

I also thank the civil aviation industry for their collaboration and cooperation as well as the flying public for always adhering to safety and security standards.

Events after the Reporting Period

It also gives me great pleasure to welcome our new Minister of Transport, Ms Barbara Creecy and our Deputy Minister of Transport, Mr Mkhuleko Hlengwa who were allocated this portfolio by the President of the Republic of South Africa, His Excellency Cyril Ramaphosa, on 30 June 2024.

Conclusion

The advancement of the SACAA mission and targets has been highly evident in this 2023/24 financial year.

With this, I extend my congratulations to the Director of Civil Aviation (DCA), Ms. Poppy Khoza, on her reappointment by the South African government. She will remain at the helm of SACAA's operations, for a third term effective from 1 December 2023 until 30 November 2028. In the year under review, Ms. Khoza was bestowed with a Diversity and Inclusion Award by the International Air Transport Association. This accolade is presented to individuals who go above and beyond to ingrain diversity and inclusion within our aviation industry – an area that the DCA has championed over years.

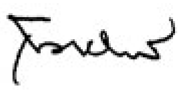
Indeed, our DCA has dispelled myths and stereotypes by not only being the first female Director of Civil Aviation, but also achieving great results since she took over the reins at the helm of the Regulator back in 2012. She is now known and regraded as the champion for transformation initiatives including the dialogue on gender equality in the aviation industry globally.

As the SACAA Board, we see her reappointment for a third term as a vote of confidence and a demonstration from the South African government of the need to see continuity in service excellence in one of its key State-owned entities and towards aviation safety and security in the country. Ms. Khoza took over this role back in 2012, and SACAA's operational stability is a testament to her great leadership. As the Board, we are pleased that these positive reviews are also echoed by both staff and the industry.

To the SACAA Executive, Management, and staff, you have once again continued to showcase why the organisation continues to strive towards the set vision of being **'a world-class civil aviation regulator'.**

I would like to encourage the SACAA team to continue forging ahead with showcasing the SACAA culture, which is driven by four of our core values: **Service Excellence, Teamwork, Integrity, and Collaboration!**

Yours sincerely,



Mr. Ernest Khosa
Chairperson: SACAA Board

DIRECTOR OF CIVIL AVIATION'S OVERVIEW

Introduction

It is my privilege to join the SACAA Board in presenting the organisation's Annual Report for the 2023/24 financial year. This report provides an overview of the SACAA's strategic, operational and financial performance covering the period from 1 April 2023 until 31 March 2024. This report represents the fourth instalment in the current five-year strategy cycle.

This overview will present a summarised assessment of the organisation's performance for the year under review against the targets set in the Annual Performance Plan signed by the Minister of Transport, and also in line with the Performance Agreement between the Minister of Transport, the SACAA Board, and the Director of Civil Aviation.

Another Year of Excellent Performance

Over and above the unqualified audit that has been achieved in the report from the Auditor-General South Africa (AGSA), the SACAA has yet again achieved an eleventh (11nth) clean audit in the past twelve years with no findings two years in a row which has really characterised and represents the governance posture of the Regulator over the years.

The organisation remains steadfast in upholding the highest corporate governance principles and a culture of excellent performance as demonstrated by the results from the audit of predetermined objectives. The Auditor General confirmed that the entity achieved all its activities in the Annual Performance Plan under Strategic Outcome number one which was sampled during the audit. This outcome dealt with the strengthening of the civil aviation safety, security and environment oversight system. Similarly, all targets were achieved in line with the rest of the strategic outcomes as audited by the Internal Audit division within the organisation. This brings to nine (9) the number of times the SACAA achieved 100% in the APP targets in the past ten years.

The SACAA Corporate Governance Culture and Ethical Standards

When the SACAA introduced six (6) culture pillars, namely – Advancing Client Centricity, Embracing Ethics and Governance, Showing Leadership, Driving Performance Excellence, Nurturing Empowerment, and Creating Communication and Collaboration - it was to define the way the organisation operates on a daily basis while laying a foundation of a 'SACAA Way' of functioning and on how we are to service our clients. This key foundation is now deeply entrenched in the SACAA DNA and we reflect on this annually through various interactive interventions with our employees.

The culture of good corporate governance is evident in the organisations report of zero fruitless and wasteful expenditure as well as zero irregular expenditure which is in line with the prescripts of the PFMA. As a State entity charged with the responsibility to deliver on the mandate of the 6th administration, the SACAA met its obligations of paying service providers within 30 days of valid invoices thereby supporting businesses, especially SMMEs to remain financially liquid.

Significant strides have been made in enhancing the ethical culture within the SACAA, with ongoing efforts to enforce compliance with the Ethics Policy, including the Code of Conduct. These efforts align with the ethical principles set forth by the SACAA Board in the Strategic Plan and adhere to the standards of the King IV Report on Corporate Governance 2016™. King IV™ advocates for governance that supports the establishment of an ethical culture and emphasises that the governing body should lead ethically and ensure the entity is a responsible corporate citizen.

The organisation also managed to implement 100% of all set targets in its Ethics, Fraud and Corruption Annual Plans, demonstrating SACAA's dedication to ethical governance. This has been crucial in maintaining SACAA's reputation as an ethical regulator, an asset that is vital for sustaining the entity's integrity and public trust.

Moreover, for this reporting period, the annual Ethics Campaign Plan was developed in collaboration with internal stakeholders, leading to a successful Ethics Day hosted on February 27, 2024. This event marked the launch of an automated Ethics Gift Register. This system allows those interacting with external stakeholders, especially inspectors, to easily declare any gifts given to them that may compromise their objectivity in carrying out their responsibilities.

Fraud and Corruption

In compliance with the Protected Disclosures Act, 2000, (Act No. 26 of 2000), the SACAA has established and maintains an independent fraud hotline service called the Vuvuzela whistleblowing hotline.

All complaints or concerns, whether from inside or outside the SACAA, which were received throughout the year under review were documented, examined, and assigned to the appropriate sections for further investigation. The investigation reports were reported to the Board through the Audit and Risk Committee on a quarterly basis for monitoring.

As part of promoting a robust safety culture, the organisation is committed to conducting our business ethically with honesty, integrity, and invite all stakeholders to utilise our Vuvuzela Hotline to report any mischievous activities on this free call number 0800 204 911 and email: sacaa@hotline.co.za. All whistleblowers remain anonymous, and all information is treated confidentially.

The SACAA's Financial Position

The SACAA continues to report an improving and healthy financial position as it recovers from the effects of the Covid-19 pandemic, with a total revenue of R925.9 million for the financial year under review. The figures show an increase of 4.6% when compared to R885.6 million revenue that was generated in 2022/23 fiscal year.

This revenue is 1.5% higher than the budgeted revenue collection, largely due to higher-than-expected passenger numbers during the financial year. The Passenger Safety Charges (PSCs) increased by R106.7 million, or 23.4%, from the previous financial year due to higher passenger numbers.

The fuel levy increased by R5.2 million (15.6%) due to an increase in charter and cargo activity as well as the fee increases in May 2023. Interest revenue generated by reserve funds increased by R18.3 million from the last financial year and was R1.1 million better than the budget, as interest rates remained high and cash reserve levels recovered.

As a State-Owned entity we are grateful for the continued financial support from our Executive Authority.

During the reporting period the organisation implemented a robust financial sustainability plan achieving all targets set including the processing of the approval for tariff increases, reduction of debtor's days, etc.

The organisation has in the past few years looked at diversifying its revenue streams and the outcome of this project resulted in the entity adopting an Activity-based Costing model.

During the reporting period, the organisation consulted with industry on the new charges which will be rolled out over a few years. The Minister promulgated a few regulations including the Passenger Safety Charges which became effective on 1 June 2023; Fuel Levies which became effective on 1 May 2023, regulations relating to Part 1,91,139 and 145; the fifth amendment on Mortgaging of Aircraft Regulation effective from 1 June 2024; amongst others.

State of Safety in the Country

South Africa continues to report ZERO accidents on all scheduled commercial flights operated by the airlines for over three decades, an accomplishment that we will pursue and maintain for as long as the SACAA exists.

There is also a collective effort to ensure that this good record in the scheduled airline operations is realised in the General Aviation (GA) space, which is comprised of non-scheduled operations. The General Aviation sector recorded 114 accidents in this reporting period. From the statistics, thirteen (13) of the accidents were fatal, resulting in nineteen (19) fatalities. Available data shows that the 114 accidents are a 1% increase in accidents when compared to the 113 accidents that were recorded in the 2022/23 financial year.

The number of accidents, however, remain 23% lower than the figures from the 2021/22 financial year.

In the DoT Strategic session in 2021, the Minister of Transport directed the Regulator to ensure that there is a 50% reduction of fatal accidents and fatalities in the General Aviation sector by 2025. The continued implementation of the General Aviation Safety Strategy (GASS) which was developed by the SACAA in collaboration with the industry, will continue to ensure improvement in the current trend of GA accident numbers.

To improve aviation safety, it is critical to introduce interventions aimed at reducing accidents in the non-scheduled / private flying operations. For the 2023/24 financial year, the SACAA hosted two successful General Aviation Accident Reduction Seminars (GAARS) that took place in Midrand (Gauteng) in September 2023 and Gqeberha (Eastern Cape) in March 2024. These seminars offered a platform for learner pilots, aviation clubs, senior aviation experts, and the regulator to share their experiences in a quest to promote safety.

Under the slogan "the life saved might be yours," the SACAA's second year of implementation of these programmes is part of the SACAA's concerted efforts to improve the safety culture among all aviation participants, and particularly among pilots.

Consistently Delivering on the Aviation Safety and Security Mandate

This reporting period marks the twelfth (12th) since I was permanently appointed to lead the Regulator, with our organisational mission being: "Regulating civil aviation safety and security in support of the sustainable development of the aviation industry".

Entrusted with the responsibility to ensure that air transport users in South Africa enjoy the full benefits of a safe and secure air transport system, the SACAA has been in the forefront of establishing an aviation safety oversight system that is considered top class in the global aviation system.

When ICAO looks at the safety posture of a State, they look at several variables which serve as indicators of how well a state is functioning from a safety perspective. The Safety Index provides a risk-based prioritisation of operational, air navigation and support related safety areas. In each of the three (3) functional areas, a State is given a target effective implementation score which is calculated based on a global linear regression of traffic versus Effective Implementation (EI) of all ICAO Member States.

A State with a high Safety Index over 1 would be considered to have sufficient regulatory controls in place to cover its existing traffic volume. A State with a low Safety Index below 1 would be considered to have an insufficient oversight system taking into consideration its traffic volume.

South Africa has consistently scored significantly above 1 in all these areas, and therefore, our State currently holds a safety index of Positive 1 and has been in this position for a number of years.

Aviation Safety

In September 2023, ICAO released the final results of the Universal Safety Oversight Audit Programme-Continuous Monitoring Approach (USOAP-CMA) audit that proved that South Africa's safety oversight capabilities were ranked as number one in Africa, with the State becoming the first ever African country to surpass the 90% EI score in the 79-year history of United Nation's specialised agency. On the release of the ratings, South Africa was also ranked 19th in the world when compared to other global peers. This is a significant improvement from the 87.63% EI score that the State achieved in a previous audit in 2017.

Currently, the State is in the process of implementing a Corrective Action Plan (CAP) in the 2024/25 financial year to close the gaps that had been identified by ICAO during this audit.

Aviation Safety Culture

In the three preceding financial years, the SACAA launched the Civil Aviation Safety Plan (CASP) which is a national version of the ICAO Global Aviation Safety Plan (GASP). Over the past few years, the organisation developed and led the implementation of this plan in conjunction with the industry.

During the 41st ICAO Assembly in 2022, ICAO launched another version of the GASP that is scheduled for implementation from 2023 until 2025. South Africa revised its CASP to include the new targets from the GASP, thereby ensuring that as a State, we are left behind in this important programme.

South Africa has made huge strides in achieving the goals set in the Global Aviation Safety Plan including the rate of accidents in scheduled operations, the State achieved 91,11% in the effective implementation of the critical elements on safety and has a safety index of positive 1, and the state has an established State Safety Programme where the foundation phase is at 97,86% and the implementation is at level 3 of 4, amongst others.

One of the key outcomes in the implementation of the CASP is the safety culture initiative which started with the administering of a safety culture survey with industry. The SACAA appreciates all the industry members who participated in this survey. The purpose of the survey was to establish South Africa's performance against the safety culture values of: *commitment to safety, adaptability, safety Awareness, acceptable behaviours with respect to safety, sharing and availability of safety information; and building the environment of trust where all members of the industry can report occurrences without fear of punitive measures.*

Risk-Based Oversight (RBO)

The SACAA adopted the RBO methodology to augment the traditional compliance-based audit methodology. The entity is at advanced stages of rolling out this risk-based methodology and envisages that by 2025, inspections will follow this new oversight model in a phased approach.

To direct resources to areas of greater concern or need the implementation of RBO is a step towards a safety and security data-driven methodology. This is achieved through the analysis of data. The organisation achieved 100% in the implementation of the project in three successive financial years.

A Focus on Aviation Security

In the reporting period, the SACAA continued to work on the implementation of the Corrective Action Plan (CAP) to close findings which were raised during the 2022 ICAO Universal Security Audit Programme – Continuous Monitoring Approach (ICAO USAP-CMA). It is worth noting that the State attracted no Significant Security Concern in this audit, having been audited on this new audit approach for the first time.

As of the end of the reporting period, the SACAA had implemented 68.5% of regulator-specific CAPs in line with the set APP target of 60% for the reporting period.

The organisation successfully completed the implementation of the three-year Industry Cyber Security Strategy, achieving a number of milestones, including establishing a forum of stakeholders that can engage on emerging threats and similar subjects, especially in light of the growing adoption of technology in the industry. The Regulator amended regulations and developed guidance material for both inspectors and industry to be able to monitor and manage cyber threats readily. The SACAA has commenced auditing the industry in line with these amended regulations and requirements.

Domestic and International Air Service Licensing

In February 2024, the Minister of Transport announced that the Air Service Licensing Councils would now be administered by the SACAA as part of the Ministerial Order which was proclaimed on 10 October 2023, as empowered by Section 100 of the Civil Aviation Act, 2009 (Act No. 13 of 2009).

This proclamation called for the creation of an efficient system that will facilitate the timely processing of applications for air service licences and Foreign Operator Permits (FOPs), as well as the issuance and storage of pertinent data, in an effort to enhance the services provided. The Department of Transport remains responsible for the budget allocation to the respective Councils for each financial year, and such allocation shall be used towards the activities and functions of the Councils.

Through the SACAA e-Services automated system that is in place, the processing has been simplified, making it easier to receive permits. The next phase, which is currently in progress, is to automate the submission and processing of domestic and international air service licenses.

Aviation Environmental Sustainability

South Africa has taken part in the adoption of a resolution from the ICAO 41st General Assembly in 2022 as part of the Long-Term Global Aspirational Goals (LTAG), Resolution A41-21, on preserving the environment and calling for net-zero carbon emissions by 2050. This is in support of the temperature objective set forth in the United Nations Framework Convention on Climate Change Paris Agreement that entered into force on 4 November 2016. As part of the NCLB initiatives, South Africa has also been cooperating and contributing in terms of assistance, capacity-building, and training on the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) programme to recipient States since 2018.

For this reporting period:

- The Emission Monitoring Plans for 2024 were reviewed by the SACAA with reports and certificates completed for Aircraft Operators. A new CORSIA Central Registry (CCR) version was received on 4 March 2024. Training for the implementation of CORSIA and training of trainers was undertaken on 6 March 2024. All due communication was accomplished, and the SACAA evaluated emission reports that were received from operators on 30 April 2024.
- An Aviation Environmental Protection Workshop (Content: CORSIA, State Action Plan and Sustainable Aviation Fuels), was held on 14 March 2024, at Midrand Conference Centre to educate the industry operators on the latest requirements. Recommendations and queries from the ACT-CORSIA buddy partnership recipients are being dealt with as part of the program.

An Engaged and High Performing Human Capital

The human capital plan was approved by the Board at the beginning of the financial year, and 100% of the activities were implemented successfully. The plan comprised of a number of targets including a roll out of the employee wellness plan, a rewards and benefits plan, a project on the review of job profiles and grading, a labour engagement plan, an employee value proposition project, a culture plan, skills audit and development plan, a project on the accreditation of aviation technical qualifications, a talent management and productivity index project.

The organisation's culture project also focused on the training of employees on fraud and corruption as well as a very interactive Organisational Masterclass under the theme 'Self-Mastery'. As part of the development of the organisation's leadership team 360-degree assessments were conducted providing feedback to all managers on their areas of strength and possible areas of development which will form part of the manager's development plans.

As of the end of March 2024, the SACAA's racial and gender profile indicate that the organisation is meeting a number of its transformation targets with Black employees making up 85% of the staff population, female employees making up 51% of the staff population and managers being 45% female. The SACAA is forging ahead with its efforts to improve the current 37,1% of female inspectors in line with the SDG Goals on gender equality which calls for a 50/50 split between female and male professional and leaders.

Recognising Employee Excellence

In its quest to build a high performing workforce, the organisation hosted an Employee Excellence Awards ceremony recognising talent and rewarding high performers within the organisation's ranks at an event which took place in December 2023.

The SACAA values its employees and has ensured that they are remunerated consistent with the policies of the organisation.

Collective Bargaining Agreement

The SACAA has signed a Collective Bargaining Agreement which recognises the trade union, the National Union of Metalworkers of South Africa (NUMSA), as a bargaining agent in the workplace for certain rights such as matters of mutual interest including salary negotiations, with effect from 1 June 2023

Furthermore, the DCA has signed a Labour Engagement Plan which provides for labour engagement platforms such as monthly Bilateral Meetings with the union and two Annual Strategic Engagement Sessions held between the union and the Director of Civil Aviation. The purpose of these engagements is to ensure alignment between the organisation and labour and to maintain sound employee relations within the applicable legislative prescripts.

Women Empowerment

The SACAA continued to roll out the Women Mentorship Programme that was launched during the 2020/21 financial year. The objective is to empower women with critical tools that supports their development and position them for growth and success.

For this reporting period, the Director of Civil Aviation hosted two sessions with women in the organisation, where the emphasis was on financial management and mental well-being and practical health care tips for women within the applicable legislative prescripts

Transformation in the Sector

When the SACAA partnered with the ICAO to bring us the first-ever Global Aviation Gender Summit in 2018, the aim was to action the ICAO 39th Assembly Resolution on gender equality which calls for professional and leadership positions within the aviation sector to reach a 50% gender split by 2030.

Looking at the transformation of the industry, aviation personnel license statistics shows that we still have a long way to go. The picture has changed from the time the regulator was established where 95% of the entire pilot population was white and predominantly male. As at the end of the 2023/24 financial year, progress had been made with the number decreasing to 79.6% indicating a shift in the pilot population. The entire population of licenced personnel, including aircraft maintenance engineers, air traffic controllers, cabin crew members as well as pilots was at just over 30% Black.

Overall, in South Africa, there are 27 903 personnel license holders, compared to 25 933 that were reported in the previous 2022/23 financial year. There is a significant growth in the number of pilot license holders with 18 370 recorded for the current reporting period, compared to 17 347 from the previous 2022/23 financial year, and 12 783 in the 2021/22 financial year.

While there is now a notable change and a benchmark within the sector on transformation, there remains a lot of improvements for the coming years to ensure that the aviation landscape can reflect the true demographics of our country.

SACAA Career Awareness Programme

The SACAA adopted a hands-on approach in addressing transformation in the aviation industry. It is with this conviction that the SACAA is taking a leadership role in rolling out programmes and identifying opportunities for the previously excluded generation in our country.

Through the SACAA Career Awareness Programme, an initiative that remains at the centre of the organisation's transformation efforts, the SACAA implements an outreach campaign targeting learners across all nine provinces in the country and reaching even those difficult to reach farm or rural schools in the process.

Over this reporting period, the SACAA reached 73 522 learners through twenty-eight (28) school visits and career exhibitions, with learners getting an opportunity to expand their knowledge further on various career opportunities that they can explore within this dynamic aviation sector.

In the 2022/23 financial year, the organisation had reported nearly 40 000 learners that were reached through this programme.

Bursary Scheme Programme

The SACAA has implemented a Bursary Programme that is growing from strength to strength since it was launched 2014 in Cape Town. The objective of this scheme is to **create a pipeline of qualified future aviators** from previously disadvantaged communities. The bursary programme is spread across different disciplines including pilot training, aeronautical engineering and aircraft mechanics. This programme has sponsored over 100 young South Africans to date. Majority of the bursars are trained at the aviation training schools in the country, including the University of the Witwatersrand.

In 2020, the SACAA launched the pilot training programme with the French civil aviation university, Ecole Nationale Aviation Civile (ENAC). In that first in-take, there were five student pilots who trained for frozen Airline Transport Pilot Licenses (ATPLs) with four successfully completing the programme.

For the year under review, the organisation sent eight (8) more cadets in October 2023 to France in order to benefit from this programme and to earn their Airline Transport Pilot Licenses (ATPL). We look forward to further remarkable results from this partnership which benefits young South Africans.

The SACAA's Enterprise Development Plan (EDP)

The entity developed an Enterprise Development Plan (EDP) initiative that focuses on empowering women, youth and persons with disabilities who own small businesses. Its objective is to support emerging businesses from previously disadvantaged communities, targeting these designated groups.

In the year under review, the SACAA gave non-financial support to ten (10) nominated Small and Medium-sized Enterprises (SMMEs) in the form of training with one (1) nominated SMME receiving a laptop and printer, a binding machine and a computer monitor. This support to the ten (10) nominated SMME's was centred around youth, women, and black owned entities with more than 51% black ownership.

The entity has also partnered with private stakeholders that include financial institutions who held workshops with our benefactors gaining knowledge on how to conduct their businesses.

SACAA's Community Responsibility

As a good corporate citizen, the SACAA ensures that the organisation makes an impact to South African communities beyond our mandate of controlling, promoting, regulating, supporting, developing, enforcing, and continuously improving levels of aviation safety and security. The organisation continuously explores transformation-related initiatives to address the societal imbalances and the challenges of poverty, inequality, and unemployment through our SACAA Socio–Economic Development projects.

The organisation delivered grocery vouchers to the families enlisted in our Child/Youth headed Households project. The organisation added three more families in the project to increase the reach and impact of the programme. The project has yielded positive results as the learners who have been enrolled at boarding school are progressing well with their studies. This is positive news and contributes to the legacy the organisation aims to build by ensuring that the children in the programme progress with their studies up to the level where they become economically active.

The programme has to date benefitted a total of 12 families with an investment of R2,3 million over the past five years. The total number of beneficiaries who have access to these groceries are 48 from the 12 families and 29 of them are school going children, 10 matriculated, four are graduates, an additional two are at tertiary institutions and eight are currently unemployed. Seven of the children are either toddlers or are at preschool.

The Maths and Sciences project whose aim is to support learners struggling with Maths and Science to improve their marks also yielded positive results during the reporting period. During the reporting period, classes for 2024 commenced at Sibongamandla Secondary School in Kriel, in the Mpumalanga province with 26 learners.

Our charity programme supported three charity organisations and this support is expected to continue for a further two years. The beneficiaries of the charity programme includes a donation of essential supplies to the residents of Vita Nova Centre in Springs, a Skills centre donation to Tshepang Care Centre in Tembisa and funding the training of the students in the Action for the Blind centre in Roodepoort. The students are equipped with ICT skills that will ensure that they become economically active in society using the skills they acquired.

Change Management

One of the key projects highlighted in the Change Management Plan for this reporting period included the support of the RBO project as well as the phase two implementation of the newly established Safety Standards and Assurance (SSA) Division. The phase two is aimed at ensuring the completion of the established SSA Division, with no overlaps and duplication of functions.

One of the key focus areas that will be championed by this new SSA Division is oversight of the RBO that was developed to offer the aviation industry enhanced improvements towards safety and security. It will also enable the SACAA to effectively collect, analyse, and protect safety information for the best possible safety-related decisions for aviation.

Innovation and Technology

ICT remains one of the strategic drivers of key organisational projects within the SACAA, where one of the entity's strategic outcomes is Innovation and Technology Management with an emphasis on technology, automation, innovation, cybersecurity, and efforts to make the SACAA a paperless organisation by Year 2030.

The organisation developed a three-year ICT Strategy that was approved by the Board, and implementation of the strategy commenced in the 2023/24 financial year and will continue until the 2025/26 financial year.

Automation Journey

With the launch of a few systems, including a revamped SACAA website that is equipped with an eServices Portal that enables operators to apply and pay for the renewal of their approvals and certificates, the organisation launched the first phase of its automation journey in November 2022.

The second phase of the automation project allows clients and the public to confirm the credentials of Designated Flight Examiners and Aviation Training Organisations, amongst others. This automation project also ensured the establishment of a client contact centre that operates on extended hours from 07:00 to 17:00 during the week.

The contact centre allows clients to receive assistance through a single call. Calls are picked up in under 20 seconds with the performance of the contact centre monitored at the highest levels of the organisation to ensure efficiencies and superior client satisfaction levels. The SACAA has now entered the next phase of the automation journey, and we are looking forward to additional modules being launched, edging us closer to a completely paperless system.

Business Process Redesign (BPR)

Since the entity's inception in 1998, the SACAA has gone through various organisational restructuring exercises, with several attempts made to map or model the organisation's business processes. The objective was to improve organisational efficiency and effectiveness. This is to ensure optimum internal and external processes that will result in customer service excellence both within the organisation and for our external clients.

The 2023/24 financial year was the third and final phase of this exercise. The organisation completed 100% of the business process redesign project making them ready for automation.

SACAA's Cybersecurity Resilience

Satisfactory progress has been made in implementing the Cyber Security Plan for this reporting period. A corporate threat assessment services testing was conducted by an independent services provider. All critical vulnerabilities from the threat assessment report have been addressed.

Overall, these steps have strengthened our cyber security posture and improved our ability to prevent and respond to potential threats.

Stakeholder Relations and Regional Cooperation Missions

Four years ago the SACAA Board approved a five-year Stakeholder Management Strategy that looks at various strategies to build, maintain and strengthen stakeholder relations with the entire stakeholder network. This strategy has mapped the stakeholders and categorised them according to their level of engagement and influence in the work of the Regulator with 28 stakeholder engagements held during this reporting period.

During this period, the organisation launched a new platform to engage stakeholders that do not normally participate in the existing stakeholder forums hosted quarterly by the organisation, namely the DCA Industry Roadshows. These engagements were hosted for all nine provinces in physical and through virtually platforms.

This platform was used by the SACAA to share pertinent information on key organisational projects that impact the industry and upcoming projects where industry participation is required.

The SACAA also continues to drive our local response to the "No Country Left Behind" (NCLB) Initiative from ICAO in the SADC and immediate African regions, where the main goal as a Member State is to ensure that ICAO's Standards and Recommended Practices (SARPs) are implemented by our neighbors.

I am pleased to report that six (6) States from the SADC region were prioritised through the Regional Cooperation Strategy and a number of States from other regions were equally assisted based on the capacity of the SACAA to accommodate these requests. The report contains more details on the type of missions undertaken during the reporting period.

2023 Civil Aviation Industry Awards (CAIA)

The SACAA hosted the third instalment of the CAIA Awards, with this event recognising and rewarding aviation sector excellence and performance which upholds compliance with set standards. These awards were initiated in 2018 and were on hold from 2020 until 2022 due to the COVID-19 pandemic.

The CAIA Awards also bring together aviation role players in one room where they can interact and celebrate fellow members of the industry who have shown consistency and commitment in promoting aviation safety, security, environmental sustainability, transformation, innovation, research and development, among other categories that are on offer. The awards will now be held biannually, with the next instalment set to be in 2025.

Conclusion

Operationally, the financial year under review was another successful chapter in the history of the SACAA.

Working with the Ministry and the Department of Transport, the SACAA Board, the vibrant aviation sector, and the extraordinary talent of specialists we employ at the SACAA, has been an incredible honour. While this was another gruelling financial year, we got through it together and closed it off with resounding success and a number of achievements that we can all be proud of.

I look forward to what's in store for us in the 2024/25 financial year where we will again be embarking on some exciting activities and where we as the country's regulator will continue to engage and support the sector in safeguarding our South African skies as well as embrace new technologies including the Advance Air Mobility, among others.

Events post the Reporting Period

Transport Security Administration (TSA) assessments

In April 2024, the United States's Transport Security Administration's (TSA) Recognition Team conducted a validation visit in South Africa to validate the South African K9 Screening Programme with the purpose of considering recognising the South African aviation security program as equivalent to that of our US counterparts. The TSA Recognition Team successfully concluded their validation visit and the matters raised during their visit are currently being reviewed and addressed by the SACAA. The process to recognise the South African K9 Screening programme is ongoing.

New Executive Authority Aboard!

I would also like to take this moment to wish the Minister of Transport, Ms. Barbara Creecy and Deputy Minister of Transport, Mr. Mkhuleko Hlengwa, all of the best as they take over the baton from 30 June 2024 onwards. It is pleasing to see that they have hit the ground running and are already showcasing great leadership to this dynamic transport portfolio of ours since being appointed by the President of South Africa, His Excellency Cyril Ramaphosa.

As the aviation industry, we look forward to the Ministry's insights and counsel for this coming 2024/25 financial year.

Acknowledgments

In recognising the results from this reporting period, I would like to further thank the former Minister of Transport, Hon. Sindisiwe Chikunga, as well as the Deputy Minister of Transport, Hon. Lisa Mangcu, for their continued sector leadership over this reporting period. We wish both all of the best in their future endeavours as we thank them for their unfiltered support to the regulator and the overall aviation industry in the country since they were first appointed.

I also send my great appreciation to the Department of Transport structures under the leadership of the Director-General, Advocate James Mlawu, for their guidance in this financial year. This honour is also extended to the Parliamentary Transport Portfolio Committee, for their guidance and support.

I want to express gratitude to the SACAA Board under the stewardship of the Chairperson, Mr. Ernest Khosa, for making sure the organisation keeps moving in the direction of being a premier global regulator of civil aviation.

Allow me to also express my sincere gratitude to the South African government for having entrusted me with this position of being Director of Civil Aviation for yet another term. I remain humbled by your trust in my abilities to lead the organisation into a new era that will hopefully carry additional successes for the country's civil aviation system.

To the SACAA management and staff, I am always eternally grateful for your dedication and contribution to the organisational successes. Had it not been your dedication and loyalty to the mandate of the organisation, none of these successes would have been possible. I look forward to more highlights, achievements, and a new chapter for the 2024/25 financial year.

I thank you!

Yours sincerely,

Ms. Poppy Khoza
Director of Civil Aviation

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

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

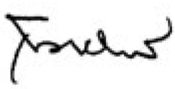
All information and amounts disclosed in the annual report are consistent with the annual financial statements that were audited by the Auditor-General of South Africa. The annual report is complete, accurate, and free from any omissions. The annual report has been prepared in accordance with the guidelines for the annual report as issued by the National Treasury.

The Annual Financial Statements (Part F) were prepared in accordance with the Public Finance Management Act, 199 (Act No. 1 of 1999) as amended, and in standards applicable to the public entity. The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made based on this information.

The Accounting Authority 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 our opinion, the annual report fairly reflects the operations, performance information, human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Ms. Poppy Khoza
Director of Civil Aviation
Date:



Mr. Ernest Khosa
Chairperson: SACAA Board
Date:

6. STRATEGIC OVERVIEW

OUR CORE IDEOLOGY

VISION

To be a world-class civil aviation regulator.

MISSION

To regulate civil aviation safety and security in support of the sustainable development of the aviation industry.

BRAND PROMISE

"Keeping you safe in the sky."

VALUES

Value	Attributes
Service Excellence	Service delivery ahead of customer expectations, striving to always exceed customer expectations.
Teamwork	Working together and taking joint responsibility and accountability for the results.
Integrity	Maintain high ethical standards and engage others professionally, without any bias, and in a transparent manner that engenders trust among all our stakeholders.
Collaboration	Working with our stakeholders to achieve mutually beneficial goals.

7. LEGISLATIVE AND OTHER MANDATES

7.1 The Act

The South African Civil Aviation Authority (SACAA) is an agency of the Department of Transport (DoT), established on 1 October 1998, following the enactment of the now repealed South African Civil Aviation Authority Act, 1998 (Act No. 40 of 1998). This Act was replaced by the Civil Aviation Act, 2009 (Act No. 13 of 2009), which came into effect on 31 March 2010.

As outlined in the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999), the SACAA is a Schedule 3A public entity. The PFMA designates the SACAA's Board of Directors as the organisation's Accounting Authority responsible for governance, while the Minister of Transport is the Executive Authority.

The Civil Aviation Act provides for the establishment of a stand-alone authority, mandated to control, promote, regulate, support, develop, enforce and continuously improve levels of safety and security throughout the civil aviation industry. This is achieved by complying with the Standards and Recommended Practices (SARPs) of the International Civil Aviation Organization (ICAO), while considering the local context.

The SACAA, through a Ministerial order, is mandated with the administrative functioning of the Aircraft Accident and Incident Investigation Division (AIID), while the Department of Transport is responsible for the functional running of this unit.

At the time of establishment, the SACAA was also tasked with the running of the Flight Inspection Unit, whose aim is to conduct calibration and flight inspection of ground radio navigational aids in South Africa and beyond.

7.2 ICAO Compliance

The International Civil Aviation Organization (ICAO) is a United Nations (UN) specialised agency, established by 54 member States on 7 December 1944, to manage the administration and governance of the Convention on International Civil Aviation (Chicago Convention).

The ICAO works with the Convention's 193 Member States and industry groups to reach consensus on international civil aviation Standards and Recommended Practices (SARPs) and policies in support of a safe, efficient, secure, economically sustainable, and environmentally responsible civil aviation sector. These SARPs and policies are used by ICAO Member States to ensure that their local civil aviation operations and regulations conform to global norms, which in turn permit more than 100 000 daily flights in aviation's global network to operate safely and reliably in every region of the world.

In addition to its core function of resolving consensus-driven international SARPs and policies among its Member States and industry, the ICAO also coordinates assistance and capacity-building for States in support of numerous aviation development objectives. It produces global plans to coordinate multilateral strategic progress for safety and air navigation, monitors and reports on numerous air transport sector performance metrics, and audits States' civil aviation oversight capabilities in the areas of safety and security.

The Republic of South Africa, as a signatory State to ICAO, is committed to work with the international community to ensure safer and more secure skies. This is coordinated through the Department of Transport, and all aviation organs of State are required to collaborate to achieve this mandate. The SACAA, through the Civil Aviation Act, 2009 (Act No. 13 of 2009), has a mandate to regulate aviation safety and security in accordance with ICAO prescripts. ICAO Contracting States, in their effort to establish and implement an effective safety and security oversight system, need to consider the ICAO Critical Elements (CEs) for safety and security oversight.

Critical elements are essentially the advancement instruments of a safety and security oversight system, and are required for the effective implementation of safety and security policies and procedures. States are expected to implement the safety and security oversight critical elements in a way that assumes the shared responsibility of the State and the aviation community.

The critical elements of a safety and security oversight system encompass the whole spectrum of civil aviation activities. The effective implementation of the CEs is an indication of a state's capability regarding safety and security oversight.

The following diagram demonstrates the regulatory areas depicted under the different critical elements.

Critical Elements 1 to 5 pertain to the establishment of the safety and security systems, while CEs 6 to 8 address the effective implementation of such systems by the Regulator:

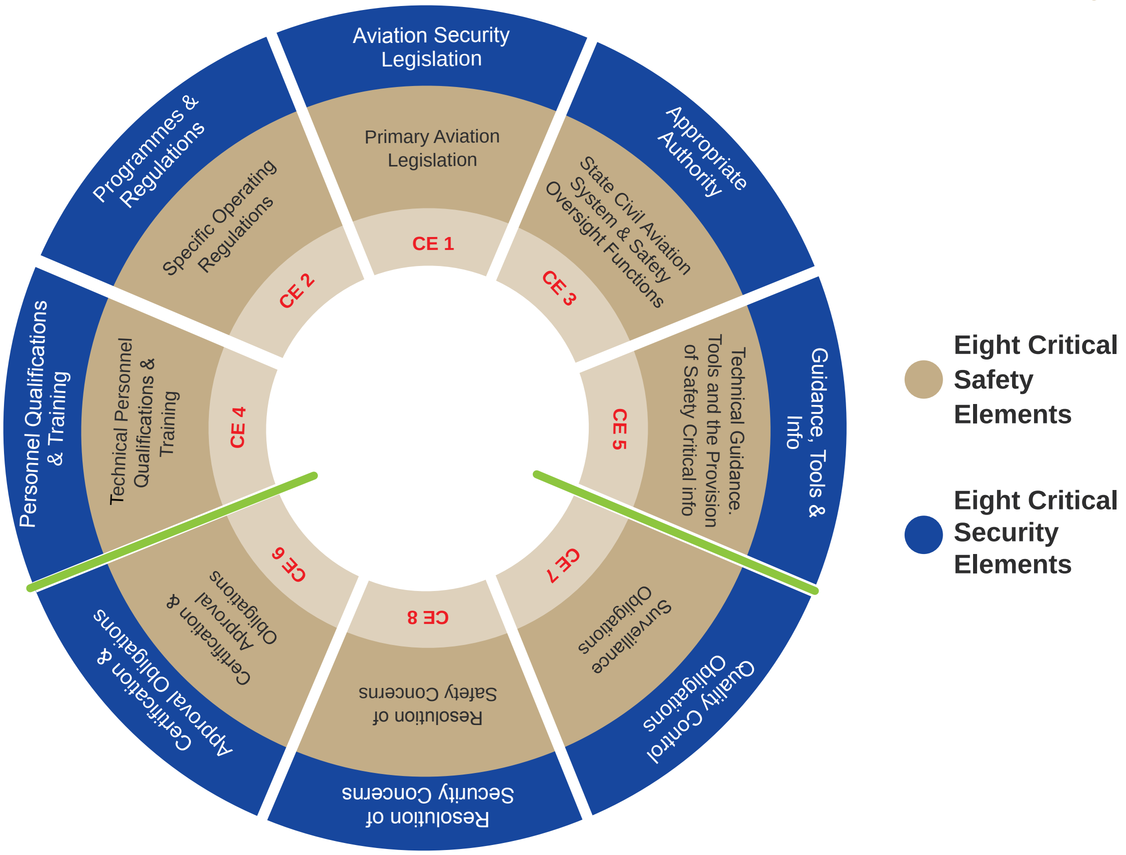


Diagram 1: Critical Safety and Security Elements (CEs)

7.3 Mandate of the Aircraft Accident and Incident Investigation Division

The Accident and Incident Investigations Division (AIID) is the authority responsible for aircraft accident and incident safety investigations in South Africa. In accordance with Annex 13 of the ICAO guidelines and Part 12 of the Civil Aviation Regulations (CAR) 2011, the AIID is authorised to:

- Investigate accidents and incidents to determine their probable causes.
- Identify systemic weaknesses in the activities of the civil aviation industry.
- Where permissible, issue safety recommendations to prevent the recurrence of accidents.

The purpose of the aforementioned investigations is not to apportion blame or liability.

The approved Ministerial Order outlines that the AIID reports operationally to the Minister of Transport, through the Department of Transport, and administratively to the SACAA.

SACAA ORGANISATIONAL STRUCTURE

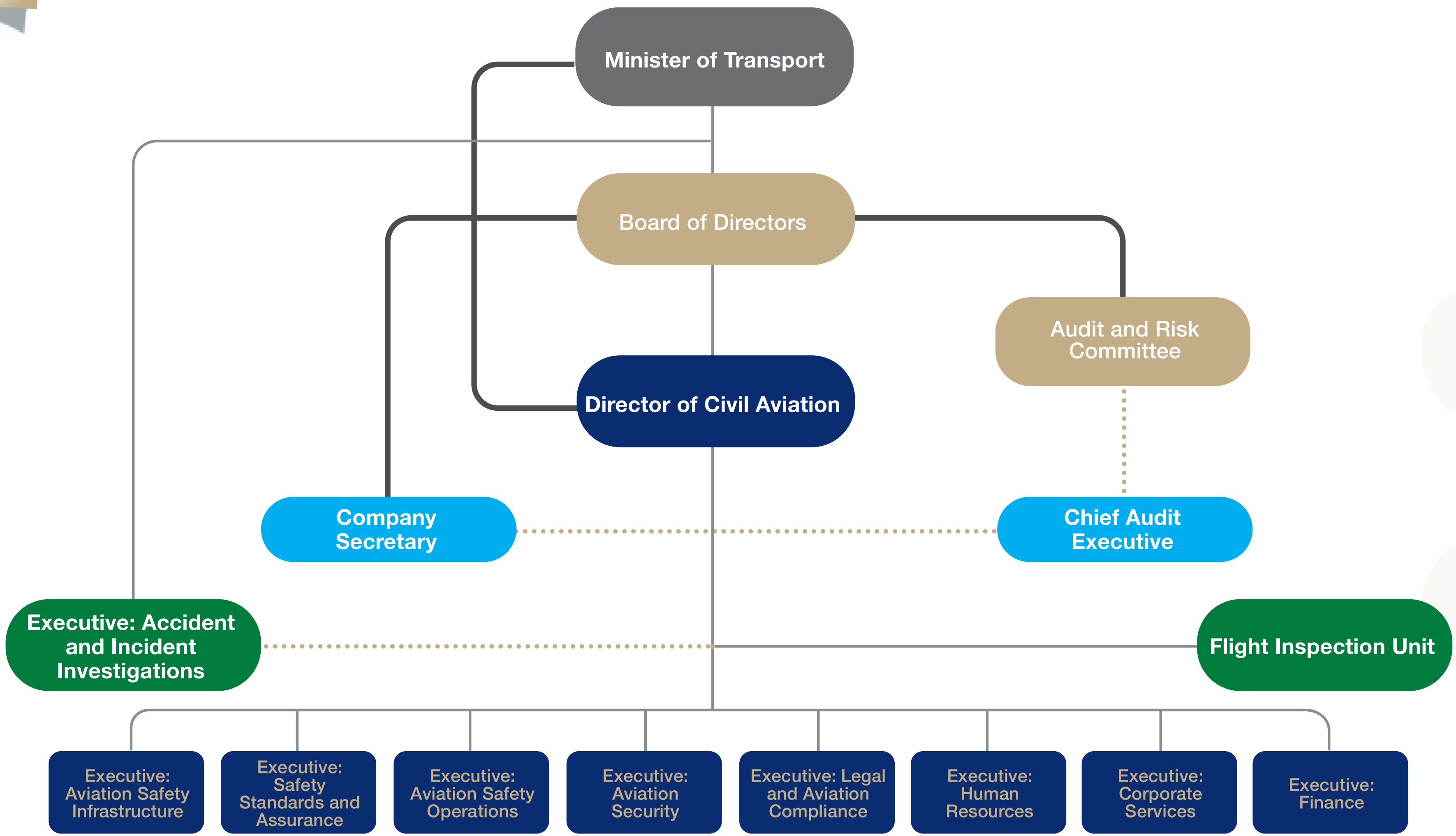


Diagram 2: The SACAA Organisational Structure.

Direct functional reporting · Administrative reporting · Governance reporting · Regulatory oversight

- Minister of Transport
- Divisions tasked with independent mandates
- Positions perform a governance and Board support role
- Board and Board Committee
- Members of the SACAA's Executive Management Committee

THE BOARD

Back row L-R: MS POPPY KHOZA (Director of Civil Aviation), **MR SUREN SOOKLAL** (Board Member), **MR TSHEPO PEEGE** (Board Member), **ADVOCATE MPATI LEBAKENG** (Board Member), **Front row L - R: MS TSHITSHI PHEWA** (Board Member), **MR ERNEST KHOSA** (Chairperson of the Board), **MS BULELWA KOYANA** (Board Member).

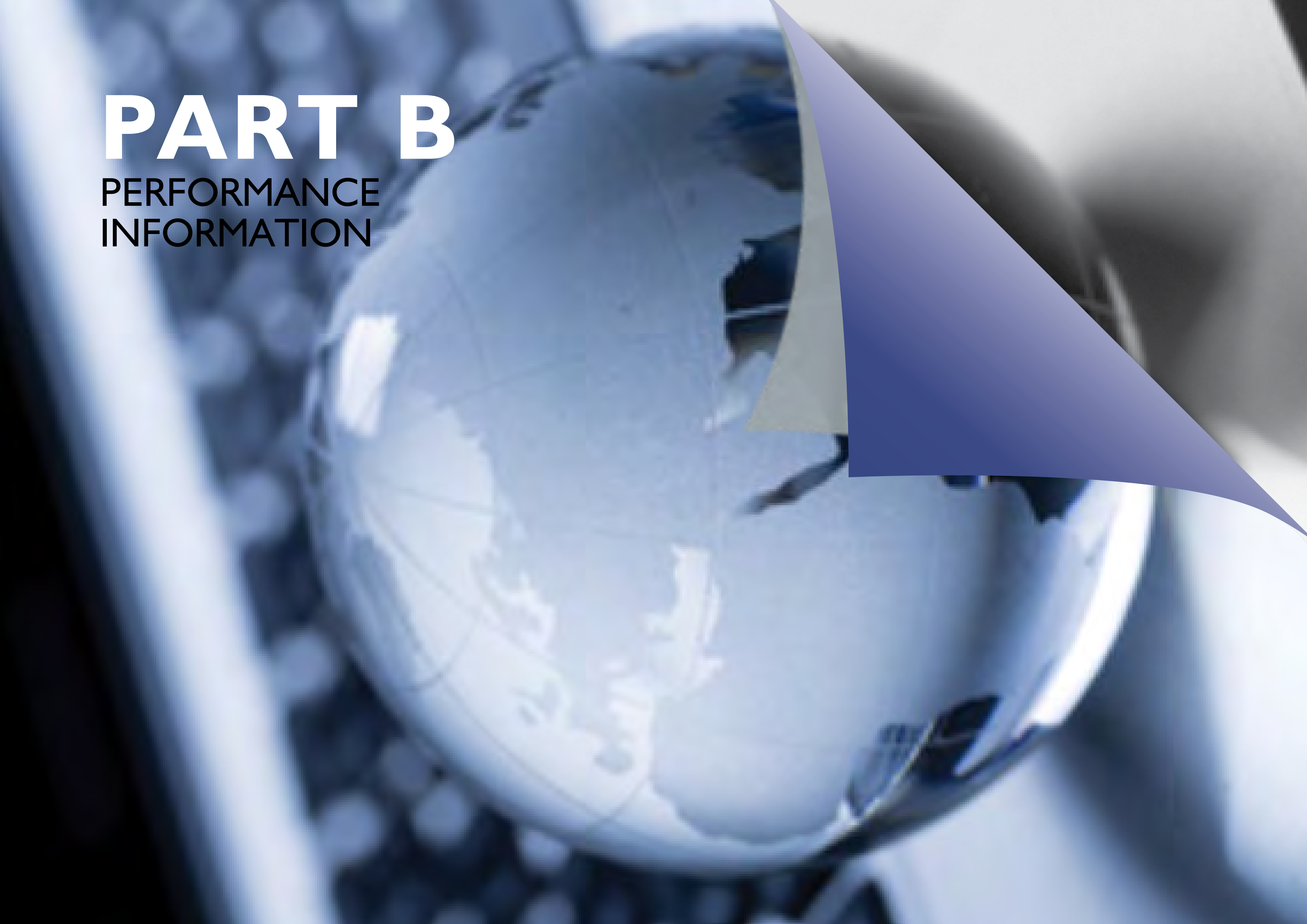
EXECUTIVE MANAGEMENT COMMITTEE

Back row L-R: MR JASON TSHABALALA (Executive Aviation Security), ***CAPTAIN ERIC MATABA** (Executive Safety Standards and Assurance), **MS PHINDIWE GWEBU** (Executive Corporate Services), **MS THOBILE MASOOA** (Executive Human Resources), **MR GAWIE BESTBIER** (Executive Aviation Safety Infrastructure), **MR DEAN KHUMALO** (Executive Aviation Safety Operations), **Front row L-R: **MS NIVASHNEE NARAINDATH** (Company Secretary), ****MR THEMBA THABETHE** (Executive Accident and Incident Investigations), **MS POPPY KHOZA** (Director of Civil Aviation), **MR ASRUF SEEDAT** (Executive Finance), **MS BABALWA NDANDANI** (Executive Legal and Aviation Compliance), ****MR KING SOTSHEDE** (Chief Audit Executive)

**Captain Eric Mataba is deceased.*
*** These positions hold functional dual reporting in terms of their Executive mandate.*

PART B

PERFORMANCE INFORMATION



8. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION AND CONFIRMATION OF ACCURACY FOR THE YEAR ENDED 31 MARCH 2024

In line with the applicable regulatory prescripts, the Director of Civil Aviation (DCA) is responsible for the preparation of the SACAA's performance information and judgements made in this report. In addition, the DCA is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the outlined performance information.

In our opinion, the performance information outlined in this report fairly reflects the actual achievements against planned objectives, indicators, and targets as per the strategic and annual performance plans of the SACAA for the year ending on 31 March 2024.

The Auditor-General of South Africa (AGSA) has audited the SACAA's performance information for the year ending on 31 March 2024. The AGSA's report is presented on pages 153 and 156 of this document.

The SACAA's Board of Directors has approved the performance information set out from pages 56 to 93.

Ms. Poppy Khoza
Director of Civil Aviation
Date:

Mr. Ernest Khosa
Chairperson of the SACAA Board
Date:

9. AUDITOR'S REPORT: PREDETERMINED OBJECTIVE

The Auditor-General of South Africa (AGSA) 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.

The Auditor-General confirmed that there were no material findings on the usefulness and reliability of the reported performance information in the Annual Report.

Refer to pages 153 and 156 of the Auditor's report published under Part F: Financial Information.

10. OVERVIEW OF THE ORGANISATION'S PERFORMANCE

10.1 Regulatory Services

10.1.1 Personnel Licensing

The SACAA is responsible for the licensing of aviation personnel, including pilots, cabin crew, aircraft maintenance engineers, and air traffic controllers. For the personnel to qualify for these licenses, they are expected to be competent, and, in this regard, the SACAA administers examinations that follow a particular curriculum as required by the Civil Aviation Regulations.

In relation to the licenses issued during the reporting period, there are movements in terms of licenses issued to different racial groups. In terms of the total aviation personnel license population, there were 27 903 license holders compared to 25 933 in the 2022/23 financial year. There is a significant growth in the number of pilot license holders, with 18 370 recorded for this reporting period, compared to 17 347 reported in the 2022/23 financial year and 12 783 in the 2021/22 financial year.

In terms of demographics, the pilot statistics remain largely the same from the 2022/23 financial year with 15% of the license holders being Black, 2.8% being Coloured, and 2.6% being Indian. White pilot license holders stood at 79.6%.

The table below details the license holder demographics by license category at the end of the financial year. The statistics include foreign nationals who possess South African pilot, aircraft maintenance engineer, cabin crew and air traffic control licenses.

Aviation Personnel License Holders by Race

SOUTH AFRICAN CIVIL AVIATION AUTHORITY – LICENSE DEMOGRAPHICS - 2023/24	SOUTH AFRICAN												FOREIGN
	African		Coloured		White		Indian		TOTAL				TOTAL
License	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total		
Student Pilot	418	281	72	35	1228	187	94	36	**1919**	**531**	**2450**		1633
National Pilot	22	2	3	0	1372	70	18	1	**1439**	**74**	**1513**		167
Remote Pilot	863	429	141	38	1219	86	61	9	**2250**	**549**	**2799**		170
Balloon Pilot	2	0	0	0	29	4	0	0	**30**	**4**	**34**		2
Glider Pilot	3	1	0	0	156	5	0	0	**1437**	**74**	**1511**		14
Private Pilot - Aeroplane	296	129	73	19	3227	223	82	16	**3760**	**399**	**4159**		2231
Private Pilot - Helicopter	21	6	4	0	692	68	10	2	**732**	**72**	**804**		95
Commercial Pilot - Aeroplane	131	69	29	5	1395	127	61	7	**1654**	**215**	**1869**		1372
Commercial - Helicopter	18	14	6	1	502	58	7	3	**531**	**70**	**601**		84
Airline Transport (Aeroplane)	83	16	36	6	1995	177	54	7	**2196**	**203**	**2399**		179
Airline Transport (Helicopter)	7	1	0	0	206	13	4	1	**215**	**16**	**231**		13
Total Pilots	**1843**	**924**	**400**	**109**	**13516**	**1098**	**404**	**76**	**16163**	**2207**	**18370**		**5888**
Percentage Breakdown	**11%**	**42%**	**2%**	**5%**	**84%**	**50%**	**2%**	**3%**	**88%**	**12%**	**100%**		
Aircraft Maintenance Engineers	1412	280	261	8	3786	36	262	6	5656	314	5970		534
Cabin Crew	263	1139	86	415	109	520	57	157	482	2176	2658		167
Air Traffic Services	224	244	52	21	205	77	58	33	535	370	905		22
	27%	56%	6%	15%	61%	22%	6%	7%	70%	30%	100%		
Grand Total	**3669**	**2533**	**801**	**541**	**17592**	**1725**	**774**	**268**	**22836**	**5067**	**27903**		**6597**
	13%	9%	3%	2%	63%	6%	3%	1%	82%	18%	100%		

Table 1: Aviation Personnel License Holders by Race

10.1.2 Aircraft Registration

The table below details the status of the South African Aircraft Register for the period 1 April 2023 to 31 March 2024. The statistics point to a steady growth in the number of Remotely Piloted Aircraft (RPAS) recorded in the register in the past financial year from 2 797 to 3 374 when comparing the 2022/23 and the 2023/24 reporting period. The Type Certified Aircraft (TCA) remain largely the same from the previous financial year while Non-Type Certified Aircraft (NTCA) increased from 6 358 in the 2022/23 financial year to 6 429 in 2023/24 FY.

Registration numbers

STATISTICS OF TYPE CERTIFIED AIRCRAFT (TC) VERSUS NON-TYPE CERTIFIED AIRCRAFT (NTCA) AND REMOTELY PILOTED AIRCRAFT (RPA)						
YEAR	MONTH	TYPE CERTIFIED AIRCRAFT (TC)	NON-TYPE CERTIFIED AIRCRAFT (NTCA)	REMOTELY PILOTED AIRCRAFT (RPA)	TOTAL AIRCRAFT	TYPE CERTIFIED AIRCRAFT (TC)%
2023	30 April	6487	6360	2812	15659	41.43%
2023	31 May	6493	6368	2860	15721	41.30%
2023	30 June	6484	6383	2939	15806	40.97%
2023	31 July	6494	6392	3010	15886	40.88%
2023	31 August	6485	6396	3080	15961	40.63%
2023	30 September	6479	6402	3120	16001	40.49%
2023	31 October	6491	6407	3167	16065	40.40%
2023	30 November	6494	6416	3206	16116	40.29%
2023	31 December	6490	6415	3253	16158	40.17%
2024	31 January	6483	6419	3275	16177	40.08%
2024	28 February	6481	6426	3323	16230	39.93%
2024	31 March	6477	6429	3374	16280	39.79%

Table 2: Aircraft Registration numbers

10.2 Key Policy Developments and Legislative Changes

10.2.1 Amendment of the Civil Aviation Act, 2009 (Act No. 13 of 2009)

The Civil Aviation Amendment Act, 2021 (Act No. 22 of 2021) (Amendment Act) was enacted on 31 March 2022. The Amendment Act has not come into operation yet, pending a Proclamation by the President of the Republic South Africa.

During the reporting period, the process of developing regulations has been undertaken and is still in progress to give effect to the Amendment Act.

10.2.2 Promulgated Civil Aviation Regulations and Technical Standards

The SACAA has, during the reporting period, submitted the following Civil Aviation Regulations (CARs) to the DoT for consideration and promulgation:

1. The Twenty-Seventh Amendment Regulation, 2023, which contains provisions relating to the increase of the passenger safety charge and user fees, was promulgated by the Minister of Transport on 13 April 2023, after receiving the concurrence of the Minister of Finance, and came into operation on 1 June 2023.

2. The Twenty-Eighth Amendment Regulation, 2023, was promulgated by the Minister of Transport on 10 November 2023. The Twenty-Eighth Amendment contains provisions relating to Part 1[1], Part 91[2], Part 139[3], and Part 145[4].
3. The Twenty-Ninth Amendment Regulation, 2024, was submitted to the Minister of Transport for promulgation on 4 January 2024.
4. The Fifth Amendment on Mortgaging of Aircraft Regulation, 2024, was approved by the Minister of Transport for promulgation on 15 April 2024, and will come into operation on 1 June 2024.
5. The Aviation Fuel Levy which, in terms of Section (2)(2) of the Fuel Levy Determination of the South African Civil Aviation Levies Act, 1998 (Act No. 41 of 1998), provides for the increase of the Fuel Levy for the financial year 2023/2024, was approved by the Minister of Transport with the concurrence of the Minister of Finance, published by the Director for Civil Aviation, and came into operation on 1 May, 2023.
6. Submission of Part 187 (User Fees) and the implementation of the Activity Based Costing (ABC) model, the passenger safety charge and fuel levy proposed increases to be implemented over three financial years (2024/2025, 2025/2026, 2026/2027) were resubmitted for the Transport Minister's approval on 5 February 2024. On 4 March 2024, the Minister submitted the proposed increases to the Minister of Finance for consent and approval. The Minister of Finance has given his concurrence through a letter dated 4 March 2024.

In the period under review, the following South African Civil Aviation Technical Standards (SA CATS) were promulgated:

1. SA CATS 1 of 2024 was approved by the Director of Civil Aviation on 21 December 2023. The Technical Standards relate to Aviation Security, SA CATS 1 contains provisions relating to Documents SA CATS 108 and 114.
2. SA CATS 2 of 2024 was approved by the Director of Civil Aviation on 27 March 2024. Part of the Technical Standards came into operation on the date of publication, and some parts will come into operation after the promulgation of the Twenty-Ninth Amendment Regulation. SA CATS 2 contains provisions that relate to Document SA CATS 21, Document SA CATS 67, Document SA CATS 91, Document SA CATS 113, Document SA CATS 121, Document SA CATS 135, Document SA CATS 139, and Document SA CATS 172.

10.2.3 Air Service Licensing Councils

On 10 October 2023, the Minister of Transport issued a Ministerial Order through a Government Gazette as empowered by Section 100 of the Civil Aviation Act, 2009 (Act No. 13 of 2009) for the SACAA to provide administrative support to both the Air Service Licensing Council (ASLC) and International Air Service Licensing Council (IASLC). This is in line with Section 9 of the Air Services Licensing Act, 1990 (Act No. 115 of 1990), and Section 10 of the International Air Services Act, 1993 (Act No. 60 of 1993).

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*1 **Part 1** provides for certain definitions. 2 **Part 91** sets out requirements prohibiting a pilot, owner or operator of an aeroplane from using an aerodrome as a destination or destination alternate aerodrome unless it is determined adequate for the type of aeroplane operation concerned, is properly licensed, approved or registered in terms of Part 139. 3 **Part 139** inserts subpart 5 which stipulates requirements for approved aerodrome for approval by the Director of Civil Aviation. 4 **Part 145** inserts Subpart 3 which provides for conditions of which a Director of Civil Aviation may issue an approval to foreign Aircraft Maintenance Organisation. **Part 21** provides for information to be included in a supplemental type certification permission by a holder of an STC. **Part 101** makes correction of typographical errors. **Part 108** Provides new requirements for regulated agents to promote, develop and implement measures and mechanisms that contribute establishment of security culture. **Part 114** provides for an air carrier to notify the Director of Civil Aviation of changes in relation to aviation security post holder. **Part 121** require an air service operator to establish scheme for regulating flight and duty periods, rest periods and free periods for crew and flight operations officers. **Part 174** inserts subpart 5 dealing with requirements for meteorological services provider for provision of meteorological services to air services operator and crew members. Further inserts subpart 6 providing for requirements for the use of communication facilities and broadcast system to enable exchange of transmission of operational meteorological data. SA-CATS 2 of 2024: SA-CATS 21 makes typographical corrections. SA-CATS 67 introduces Protocol for Mental Health Programmes for aircraft operators, air traffic services provider and flight engineers. As well as Protocol Mental Health Conditions. SA-CATS 91 provides prescribes for the ADS-B and Mode S 1090Mhz Extended Squitter aircraft transponder Minimum Operational Performance Standards (MOPS) within RVSM space from F290 to F410 and within Class A and designated Class C airspace. SA-CATS 113 which provides for the establishment and development of an aviation pandemic preparedness plan by the Director and for the responsibilities of air service operator. SA-CATS 121 insert definitions relating to Flight Duty Periods (FDP) such as 'disruptive schedule', 'early type of disruptive schedule', 'late type of disruptive schedule', 'local duty' and 'night duty. SA-CATS 135 makes correction to some typographical errors. SA-CATS 139 provide notes on the coming into effect of certain definitions; seeks to guide operators on methods to use to determine the runway surface friction characteristics as part of preventative maintenance; prescribes requirements for the flight plan alignment guidance lighting system; provides for requirements for aerodrome infrastructure such as runways, taxiways, aircraft parking area and further provides for the requirements for the conducting of aeronautical surveys and aerodrome surveying classifications. SA-CATS 172 prescribe the requirements for designation of control areas.*

The implementation of this order is done through a four-party Memorandum of Understanding (MoU) signed between the Department of Transport, the Domestic and International Air Services Councils, and the SACAA. These administrative functions were rolled out, effective from 1 February 2024.

This means that all administrative support, including the development of effective systems that will enable the smooth processing of Air Service License applications, Foreign Operator Permits (FOPs) as well as the issuance and storage of related information is now the responsibility of the SACAA. The Department of Transport will still be responsible for the budget allocation to the respective Councils for each financial year and such allocation shall be used towards the activities and functions of the Councils.

Since this decision took effect from 1 February 2024, the SACAA launched an automated system which is being rolled out in a phased approach. The first phase which commenced on 1 February 2024 saw the processing of FOPs through a newly developed system. The next phase is to automate the submission and processing of domestic and international air service licenses.

The Councils are still responsible for the processing of new and amended air service license applications as well as related services whilst the SACAA provides administrative support for the smooth processing of the license applications which include receiving air service license applications, conducting technical assessments, publishing same for comments within the prescribed timeframes and administrative support to the Councils.

10.2.4 Enforcement of Compliance

In compliance with the Civil Aviation Regulations, the organisation has initiated the following enforcement steps against all non-compliant aviation personnel and operators.

PENALTIES		
LICENSE CATEGORY	**QUANTITY**	**AMOUNTS**
Aviation Training Organisation (ATO)	2	R80 000 .00
Cabin Crew License Holder	1	R20 000.00
Private Pilot License Holder	3	R44 000.00
Commercial Pilot License Holder	6	R60 000.00
National Pilot License Holder	1	R10 000.00
RPAS/Drone Operator	2	R34 000.00
International Airport Screener (IAS)	1	R24 000.00
Aircraft Owner	1	R24 000.00
Designated Medical Examiner (DAME)	2	R20 000.00
Regulated Screening Agent (RSA)	1	R24 000.00
Air Transport Pilot License (ATPL) Holder	2	R20 000.00
Licensed Aerodrome	2	R48 000.00
TOTAL PENALTIES	**24**	**R408 000.00**
SUSPENSIONS		
Aircraft Maintenance Engineer (AME)	1	
National Pilot License Holders	6	
Designated Aviation Medical Examiner (DAME)	1	
Approved Person (AP)	1	
WARNINGS		
Aircraft Owner	1	
RPAS/ Drone Users	4	
DAME	2	
Private Pilot License Holder	1	
National Pilot License Holders	3	
ATPL Holder	1	

PENALTIES		
LICENSE CATEGORY	**QUANTITY**	**AMOUNTS**
Air Operator Certificate (AOC) Holder	1	
VERBAL COUNSELLING LETTERS		
Private Pilot License Holder	2	
DAME	1	
Commercial Pilot License Holder	1	
RPAS/ Drone User	3	
Chief Flight Inspector	1	
Accountable Manager of an ATO	1	
DISQUALIFICATIONS		
Private Pilot License Holder	1	
Commercial Pilot License Holders	2	
DOWNGRADES		
Licensed Aerodrome	1	

Breakdown	
Grand Total of Penalties Issued	**R408 000.00**
Grand Total of Paid Penalties	**R340 000.00**
Suspensions	**9**
Warning Letters	**13**
Verbal Counselling Letters	**9**
Disqualifications	**3**
Downgrades	**1**

Table 3: Air Operator Certificate

10.3 Progress towards the achievement of the SACAA's Impact and Outcomes

10.3.1 Strategic Outcome 1 – Strengthened Safety and Security Oversight System

10.3.1.1 ICAO Compliance – Aviation Safety

Between 2007 and 2023, South Africa has been part of the ICAO Universal Safety Oversight Audit Program (USOAP) methodology evolution, with the State undergoing a Comprehensive Systems Audit (USOAP CSA) in 2007. This was followed by an ICAO Coordinated Validation Mission (ICVM) in 2013.

The ICVM occurred a year after the methodology had evolved from the Comprehensive Systems Audit (CSA) to the Continuous Monitoring Approach (USOAP CMA). In 2017 South Africa had a limited scope on-site USOAP CMA Audit, with the scope excluding the areas of ANS and AGA. In 2018, ICAO performed an off-site audit of the two areas that were not part of the on-site audit, which was followed by an off-site validation of some of the 2017 USOAP CMA Audit Corrective Action Plans (CAPs).

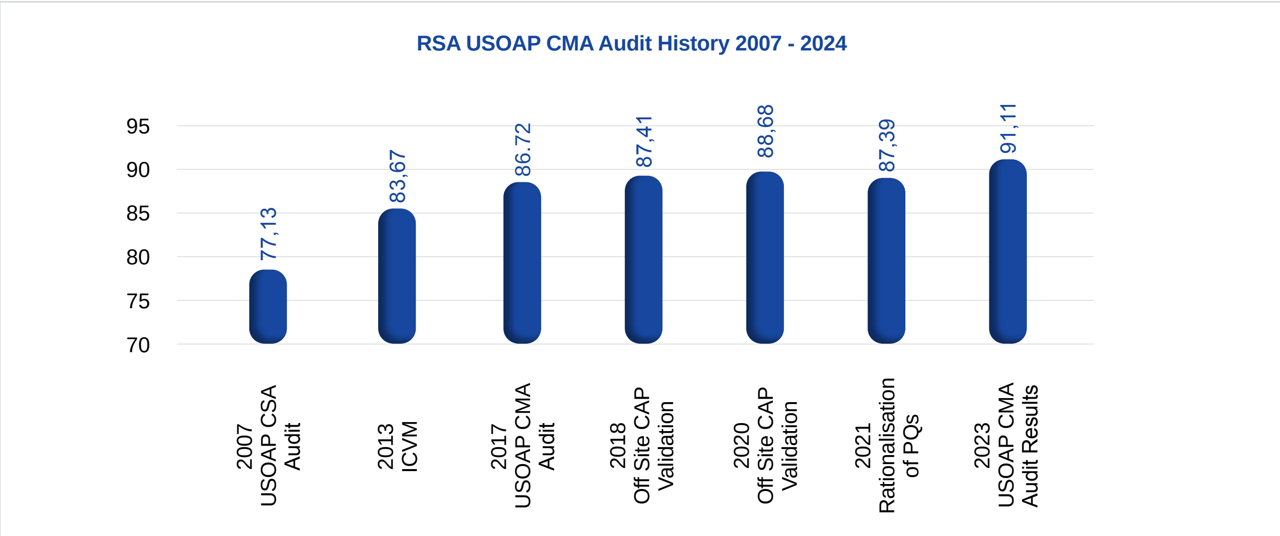
In 2020, ICAO implemented the recommendations by the Group of Experts for USOAP CMA Structured Review (GEUSR) which was formed by the ICAO in 2017 to review and make recommendations on how to enhance the effectiveness of the USOAP CMA methodology, with the aim to reduce the compliance burden on Member States. This exercise resulted in the reduction of the number of Protocol Questions (PQs) from 943 to 790, as well as the identification of the Priority Protocol Questions (PPQs).

In 2020, ICAO implemented these recommendations and gradually migrated States to the new edition of PQs, which had an implication on the Effective Implementation (EI) by an approximately 1.3% reduction across all the 193 Member States. South Africa requested to be considered for a full scope audit in the second semester of 2023 during the scheduling of audits by ICAO. The full scope USOAP CMA Audit took place from 22 March until 3 April 2023, resulting in 91.11% EI of the eight Critical Elements (CEs) of state civil aviation safety oversight system.

These results elevated South Africa to position number one (1) in relation to the civil aviation safety oversight capabilities in the Africa-Indian Ocean Region (AFI Region) with fifty-four (54) member states, and number nineteen (19) (holding a tier with Norway) in the global ranking of one hundred and ninety-three (193) ICAO member states.

The table below presents South Africa's gradual improvement of the safety oversight system and capability as audited and published by ICAO over a period of seventeen (17) years:

South Africa's USOAP CMA Performance



Graph 1: South Africa's USOAP CMA Performance

Through the SACAA, South Africa continues to implement the CAPs to close the gaps that were identified by ICAO during the 2023 safety audit. This is in preparation for future ICAO Audit Missions.

10.3.1.2 US-FAA International Aviation Safety Assessment

In November 2022, South Africa also received the final report from the United States Federal Aviation Administration (FAA) following an audit conducted in November 2021 in line with the Air Transport Agreement signed between South Africa and the United States. According to this agreement, any party can conduct an assessment of the safety oversight system of the other party in line with ICAO's minimum standards and recommended practices. The final outcome of this assessment confirmed that South Africa has retained its Category 1 status with the United States. The benefit of this outcome is that South African operators, such as airlines, can operate directly and with no hindrance into the United States.

10.3.1.3 ICAO Compliance – Aviation Security

South Africa was audited by ICAO under the Universal Security Audit Programme, Continuous Monitoring Approach in August 2022. In this audit South Africa did not attract any Significant Security Concerns.

Currently, the State is implementing the Corrective Action Plan (CAP) to close the gaps that were found in the audit and intends to invite the ICAO back to the country for further assessments, once the findings have been satisfactorily implemented.

10.3.1.4 United States - Transpoirt Security Administration (US-TSA)

South Africa, through the SACAA, occasionally participates in security evaluations conducted by peers and colleagues on other continents. The purpose is to test the effectiveness of the RSA's security oversight system.

During the reporting period, South Africa was assessed by the US-TSA. The outcome of this assessment attracted a permanent recognition of the State's security system by the TSA.

South Africa still holds recognition with the European Union in terms of their Air Cargo or Mail Carrier operating into the European Union from a Third Country Airport (ACC3) programme on cargo security.

These recognitions provide considerable economic benefits to businesses when operating in such geographies since they eliminate the need to pay additional fees for individual operator assessments. During the financial year, South Africa was visited by the US-TSA on 25 August 2023. The Administrator met with the former Minister of Transport, Ms. Sindisiwe Chikunga and the Director of Civil Aviation, Ms. Poppy Khoza, during the SACAA's National Aviation Gender Summit. This was a courtesy visit to cement long standing relations between the US-TSA and SACAA but also to engage on the recent developmets as well as to handover training certificates.

10.3.1.5 Zero Commercial Airline Fatalities

A safety indicator measured by the global aviation community is the accident rate in commercial airline operations. South Africa is still one of the very few countries with a high traffic volume to have a ZERO fatal accident rate (0%) in this sector.

This means that the country has reported 0% fatal accidents on all scheduled flights operated by the airlines in the past 37 years.

There is a concerted effort to ensure that this is also reflected in the General Aviation space which recorded 113 accidents in the reporting period, which are the same statistics from the ones reported in the 2022/23 financial year. These figures; however, remain 23% lower than the 2021/22 financial year.

10.3.1.6 Aviation Safety Culture

Over the past three financial years, the SACAA launched the Civil Aviation Safety Plan (CASP), which is a local or national version of the ICAO Global Aviation Safety Plan (GASP). States were expected to implement the GASP from 2020 to 2023. Over the past few years, the SACAA led the implementation of this plan and some of the projects were implemented in conjunction with the industry.

During the 41st ICAO Assembly in 2022, ICAO launched another version of the GASP that is scheduled for implementation from 2023 until 2025. South Africa has revised its CASP to include the new targets from the GASP, thereby ensuring that as a State we are not left behind on this important programme.

Part of the CASP activities include the enhancement of the Aviation Safety Culture within the South African civil aviation industry. Aviation Safety Culture is described as how people behave in relation to safety and risks mitigation to prevent accidents and incidents, protect the lives of passengers and crew, and ensure the overall safety and reliability of air travel.

Aviation Safety Culture is reflected in the extent to which individuals and groups are:

- Aware of the risks and known hazards faced by the organisation and its activities;
- Continuously prioritising the preservation and enhancement of safety;
- Able to access the resources required for safe operations;
- Willing and able to adapt when facing safety issues;
- Communicating safety issues; and
- Consistently assessing safety-related behaviours throughout the organisation.

In the reporting period, the SACAA launched its inaugural Aviation Safety Culture maturity assessment survey with selected members of the industry. The objective of this is to establish the levels of Aviation Safety Culture and to provide recommendations on initiatives and activities to inculcate a positive safety culture across the industry.

The survey was administered in October 2023 and the results were analysed by the team overseeing this project, The feedback assists the organisation to chart the way forward and gives an indication of critical areas that will need to be addressed within the aviation community in a time where the SACAA is fostering the maintenance and improvement of safety, while also supporting the development of a positive safety culture.

A broader survey conducted by an independent service provider will be introduced to the industry in the 2024/25 financial year with an objective to reach a wider audience and feedback. The initial survey feedback assisted us in implementing the safety culture value pillars whose aim is to improve:

- Commitment to safety.
- Trust.
- Adaptability.
- Behaviour in respect of safety.
- Awareness.
- Information.

Before the ICAO conducted the USOAP-CMA, South Africa was at 87.39%, which is well above the global average of 67.50%. With the recent safety audit conducted by ICAO under the USOAP CMA methodology, the State increased its EI level to 91.11%, according to the final report announced by the ICAO. This is well above the five-year target set by the SACAA to improve the States EI to 90% by 2025.

10.3.1.7 Risk-Based Oversight (RBO)

The SACAA developed and adopted the RBO methodology to align with this new oversight approach from ICAO. The organisation envisages that by 2025, the surveillance and oversight plan will be based on a risk approach, and this compliments the compliance-based oversight the organisation has been following over the years.

The implementation of RBO is a move towards a safety and security data-driven oversight methodology that focuses resources to areas of greater concern or need when planning the annual master oversight and surveillance plan.

RBO provides a mechanism for the better identification of hazards, measuring associated risks, as well as demonstrating effective mitigation of these risks. Ultimately, it will allow the SACAA to focus its attention on organisations that require additional or higher attention, strengthening the efficiency of the oversight.

This approach should enable the SACAA to collaborate effectively in identifying, assessing, and managing risks to enhance safety outcomes in aviation operations with emphasis on the need for automation of this complex, data driven system. Furthermore, there is a need to ensure that the implementation of risk-based oversight does not create additional administrative burdens or compromise operational efficiency.

During the reporting period, the organisation's target was to achieve 100% in the third year of implementation of the plan. The organisation achieved 100% as at the end of March 2024.

Some of the activities implemented include:

- Development of the Organisation Risk Profile Assessment tool.
- Identification of data sources.
- Testing of the assessment tool.
- Training of the Inspectorate.
- Workshops and conferences with internal and external stakeholders to create an understanding of RBO.
- RBO SharePoint accessible from the SACAA main page.
    - As part of the Change Management Strategy to touch "employee experience" using multiple channels, the RBO web page on the intranet went live on 17 October 2023. The web page will evolve over time as the team continues to move towards project Go-Live. In the near future the web page will also include training materials, training schedules, awareness videos, podcasts, etc.
- RBO webpage is accessible through the SACAA website for external stakeholders.
- Human Resources engagement regarding the inspector of the future.
- The team embarked on a desktop benchmarking with the FAA in January 2024.

10.3.1.8 Aviation Environmental Protection

South Africa participated in the third Conference on Alternative Aviation Fuels (CAAF/3), held in Dubai from 20 – 24 November 2023. The respective outcomes on the discussion points are as follows:

- **Policy and Planning:** There is a need for all States to develop and implement appropriate policies in relation to their circumstances and the important role of State Action Plans (SAPs) and roadmaps, to reduce CO2 emissions from international aviation.

  There was support for the existing CORSIA framework and its sustainability criteria, sustainability certification schemes and life-cycle assessments, as the robust and continued basis for the eligibility of cleaner aviation energy. It has been agreed that appropriate policy-mix will differ between States due to different national circumstances.
- **Implementation support:** The vision is a collaborative effort with action required from different stakeholders and States are to encourage relevant stakeholders, for example:
  a) Aircraft operators to prioritise the negotiation, cooperation and procurement of Sustainable Aviation Fuel (SAF), Low Carbon Aviation Fuel (LCAF) and other cleaner aviation energies. It also facilitates access for travellers, air cargo shippers and businesses who wish to voluntarily reduce their air travel footprint, through access to the purchase of SAF, LCAF and other cleaner fuels, and it implements measures to increase SAF compatibility within their fleets.
  b) Airports to plan and deliver changes in airport infrastructure necessary to ensure efficient supply and access to drop-in fuels and, in collaboration with aircraft operators, fuel producers and other stakeholders, explore innovative ways to share the cost of such infrastructure changes across the value chain. All States should have access to the means to participate across all stages of the development and deployment of SAF, LCAF and other cleaner aviation energies.
- The global up-scale in production of SAF, LCAF and other cleaner aviation energies requires a robust and substantial capacity-building and implementation support program. This is to support States in their planning, development and implementation of national and regional policies, that can be applied across all stages of the fuel supply-chain.
- There was consensus that assistance and capacity-building efforts had to be tailored and targeted, and provided in a transparent and inclusive manner, with solidarity among States and in the spirit of ICAO's No Country Left Behind (NCLB) initiative.
- States were encouraged to join the ongoing ACT-SAF program, involving 140 partners under ICAO.

- **Technology:** Access to technology is imperative for States to contribute to, and benefit from, cleaner energy development and deployment. Technology transfer was also recognised as an important factor that would facilitate developing countries and States with particular needs to reap the economic opportunities and benefit from cleaner energy development. This supports the geographical balance of aviation cleaner energy production across all regions.

- **Financing:** Financing was a major issue and participants expressed support for the ICAO Finvest Hub initiative. According to the Long-Term Aspirational Goal (LTAG) report, fuel suppliers will need to invest up to 3.2 trillion USD in producing cleaner aviation energies, through to 2050, and additional investments will be needed for other aviation CO2 reduction measures, such as aircraft technologies and operational improvements. The means of implementation, including financing, technology transfer and capacity building is crucial, especially for developing states.

Global Framework

In support of the LTAG Assembly Resolution 41-21, of "net-zero Carbon emissions by 2050" in support of the Paris Agreement on temperature goals, recognising that each State's special circumstances and respective capabilities will inform the ability of each

State to contribute to the LTAG within its own national timeframe", the Global Framework was agreed upon and signed on the last day of the conference.

Comprehensive capacity-building and implementation support and financing activities are required to work hand-in-hand to achieve these outcomes, and broader aviation decarbonisation efforts, in a sustainable manner.

Emission Monitoring Plans for 2024 were reviewed and reports and certificates completed for Aircraft Operators. A new CORSIA Central Registry (CCR) version was received and training was completed. Training for the implementation of CORSIA and training of trainers was undertaken. All due communication was accomplished, and the SACAA is awaiting the emission reports which were due in the 2024/25 financial year.

An Aviation Environmental Protection Workshop (Content: CORSIA, State Action Plan and Sustainable Aviation Fuels) to educate industry operators on the latest requirements was held to educate the industry operators on the latest requirements.

Recommendations and queries coming from the ACT-CORSIA buddy partnership recipients are being dealt with as part of the programme.

10.3.1.9 General Aviation

General Aviation (GA) forms the cornerstone of a healthy aviation industry. In keeping with the dynamic environment of General Aviation, the SACAA has embarked on a safety initiative focusing specifically on this sector of civil aviation.

The SACAA developed the General Aviation Safety Strategy (GASS) in 2020 as part of a five-year commitment to GA safety. The delivery against this strategy is managed through annual implementation plans. This plan rests on four primary pillars, namely:

- To identify and address the underlying precipitating factors leading to GA accidents;
- To have a multi-faceted and multi-disciplinary approach to address these factors;
- To have all stakeholders from industry and the regulator co-operating in required strategic focus groups, as well as to participate in the implementation initiatives; and
- To have sustained and inclusive initiatives to implement these approaches supported with the necessary resources.

The year under review ushered in the fourth year of the GASS implementation plan.

Activities for the year included:

- Development of Education Guidance Manuals (EGMs) for fixed-wing and rotorcraft aircraft.
- Production of four editions of the SKYwatch SACAA GA Safety Publication where relevant articles on safety operations and tips to flight safety are promoted.
- A research report on a framework to enlarge the footprint of the SACAA in the recreational aviation space with a focus on community responsibility, and to amend regulations to enable this community role.
- Development of an educational and awareness programme to enhance safety between RPAS and GA operations in uncontrolled airspace.
- Hosting of General Aviation Accident Reduction Seminars. Two seminars were delivered during the financial year.

10.3.2 Strategic Outcome 2 – Financial Sustainability

The SACAA is funded through a user-pay system and is expected to be self-sustainable. During the reporting period the SACAA developed a Financial Sustainability Plan focused on strengthening the financial performance of the regulator. The organisation achieved all its targets in this plan. Included in these activities is a cost containment plan that ensures prudent spending and focus on critical projects, amongst others.

The organisation has also recorded no irregular or fruitless and wasteful expenditure during this period. The organisation is mandated to pay all suppliers within 30 days. This target was met in full for all valid invoices during the reporting period.

10.3.3 Strategic Outcome 3 – Human Capital

One of the most important assets of the organisation is its employees. The SACAA therefore invests heavily in the development of its employees and in creating a suitable pipeline of qualified and competent employees through various initiatives. A dedicated section on the organisation's activities focused on developing its employees, is covered comprehensively under Part D of this report.

The following programmes contribute to both the transformation of the aviation industry and ensures that there is a pipeline of qualified aviation and aviation-related skills in the market.

10.3.3.1 Learnership Programme

The learnership programme has recruited ten learners in this programme to participate in an ICT learnership programme. The learners completed the theoretical component of the training programme, including the summative assessments in July 2023. The training school conducted a workplace readiness workshops in June 2023 to prepare the learners for the workplace. The students then joined the SACAA in August 2023 to commence their practical training within the ICT department. The learners are currently placed with different mentors within the ICT Department and progressing well.

During the course of the financial year, four of the learners received employment in other organisations.

10.3.3.2 Internship Programme

The organisation currently has a total of twenty-seven (27) interns. One intern was a successful candidate for the Compliance Officer position. The Director of Civil Aviation has approved an additional fourteen (14) intern positions and recruitment for these candidates is already in progress.

10.3.3.3 Trainee Programme

The organisation identified an additional nine trainee positions to add to the five who were appointed over the past two years. The Trainee programme assists with succession planning and ensures that there are skills transfer for critical and scarce positions.

10.3.4 Strategic Outcome 4 – Innovation and Technology Management

10.3.4.1 Information and Communication Technology Strategy and Plan

Information and Communication Technology (ICT) remains one of the strategic drivers within the SACAA. One of the SACAA's strategic outcomes is **Innovation and Technology Management.**

The organisation is building on the foundation established in the past five-year strategic cycle to entrench a solid safety and security culture within the South African civil aviation industry. This focuses technology, cybersecurity and on the work required to ensure that the SACAA is a paperless organisation by 2030.

The implementation of this project included the amendments to the regulations to include cyber security oversight and the establishment of a multi-stakeholder forum that looks at cyber threats that may impact aviation security. The organisation also developed guidance material for the industry and commenced with conducting oversight of the industry to ensure compliance. This is largely driven by the Information and Communication Technology (ICT) department who look at ensuring that the organisation is successfully able to respond to the changing business environment due to technological shifts while also addressing the stakeholder needs of efficiency, agility and client-centricity.

The ICT Strategy and Implementation plans are aligned to the SACAA Strategy and Implementation plan.

ICT Strategy

The ICT Strategy for the 2023/24 until the 2025/26 financial year was approved by the Board. The annual target for 2023/24 financial year was to implement 90% of Phase 1 of the ICT Strategy. The targets for this reporting period are sub-divided into three streams:

- Enhance client service experience.
- Implementation of continued resilience to cyber security; and
- Productive workforce using ICT enterprise tools.

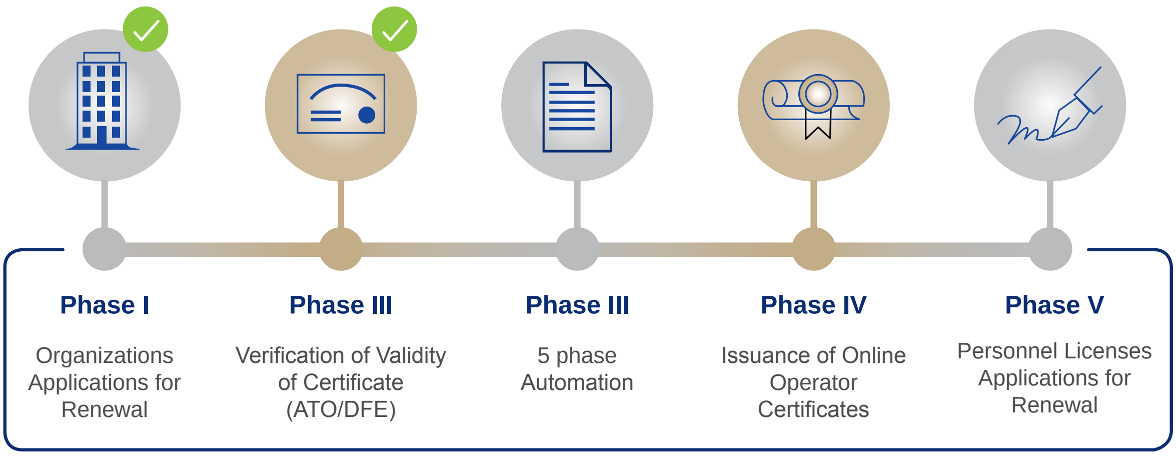
Below is a high-level progress update of the Strategic ICT Projects for the reporting period.

EDRMS (Shanduka) Project

"Shanduka" is a Tshivenda word loosely translated to **"Change".** The project is an automation of several business processes, both internally and client-facing. The implementation of Shanduka will be phased in over a period of three to four years.

The SACAA declared 2022/23 and 2023/24 financial years as the Years of the Customer. As part of the many initiatives, the organisation is also in the process to move to the third phase of the e-Services portal which will see the SACAA clients being able to access and transact services through the touch of a button on the SACAA website. The first phase enabled the client to utilise the portal for application of license renewals, and the second phase is to ensure that the system is able to provide verifications of Aviation Training Organisations (ATOs) and the Designated Flight Examiners (DFEs) Certificate Validations.

This saves time for clients as they now no longer have to come to the SACAA offices to receive a service.



Client Facing Applications

- **e-Services Portal** was deployed and successfully implemented in the prior year to focus on organisational renewal processes that enable clients to make payment through a credit card/debit card. During the reporting period the capability to make payment using the SACAA credit facility and the Direct Deposit linked to the e-Services Portal was implemented pertaining to the processes that were already implemented i.e. Organisational Renewal.

- **Foreign Operator Permits (FOP):** In October 2023 the Minister of Transport issued a Declaration Order to move the administrative processes for the Air Services Licensing Council from the Department of Transport to the SACAA. As part of the client-centric initiatives of the SACAA the processing of the FOP was automated. This enables clients to submit their applications electronically and make payment for the application online.

ICT Governance

The ICT Steering Committee continued with its oversight responsibilities during the Financial Year under review. During the reporting period the committee held at least six committee meetings. The Committee was established to ensure that the ICT Governance forms an integral part of the overall Governance structure of the Organisation.

The Committee's responsibilities included the following highlights:

- Overseeing the development and implementation of the ICT strategy, ensuring that it conforms to, and supports the strategic priorities of the SACAA.
- Advising ExCo and the Board, on strategic ICT projects and any risks that have been identified as they relate to the ICT projects.

- Ensuring that ICT policy initiatives are consistent with the strategic objectives of the SACAA and to monitor their delivery and benefit realisation.
- Considering initiatives and innovations that will advance the SACAA 's strategy and sustainable growth.
- Monitor the redress of all IT Audit findings as per the Internal and External Auditors reports.

Cyber Security incidents

No cyber security Incidents were recorded during the reporting period. The Cyber Security Strategy and the Information Security implementation plan which were approved by the Board were duly implemented. The implementation of the Cyber Security Strategy and Improvement plan is one of the targets within the ICT APP Deliverable. As of 31 March 2024, the annual plan was implemented 100% and all targets were achieved.

10.3.5 Strategic Outcome 5 – Stakeholder Relations and Service Excellence

The Board approved a five-year Stakeholder Management Strategy that looks at various strategies to build, maintain and strengthen stakeholder relations with the entire stakeholder population. This strategy mapped the stakeholders and categorised them according to their level of engagement and influence in the work of the Regulator.

The organisation developed an annual implementation plan to ensure that the strategy is fully met and the target for the reporting period was to achieve 95% of the plan The organisation achieved 100% in the implementation of the plan. Below are some of the stakeholder engagements that supports this strategic outcome.

Stakeholder Engagements

2023/24 Stakeholder Engagements

No.	Technical Workshop	Date	Venue	Comments
QUARTER 1				
1	Engineer Designated Examiner Conference (EDE)	25 April 2023	Holiday Inn, Boksburg	The workshop is aimed at equipping EDEs to achieve and maintain the highest standards of ethical practice in line with the International Civil Aviation Organisation requirements. The workshop enabled the SACAA to share new developments with the industry.
2	AvSec Supplementary Station Procedures (SSP) Webinar	26 April 2023	The SACAA – Virtual Event	The aim of the webinar was to provide updates on Supplementary Station Procedures (SSP).
3	Air Traffic Services Workshop	26 April 2023	Umhlanga Hotel & Convention Centre, KwaZulu-Natal	This event was a mandatory conference for ATS Designated Examiners for redesignation (Part 65.17.4). It was held successfully under the theme: Sleeves up – the working ATS shop, taking stock! The conference content covered examinations, licensing, training and ATS. The delegates further had an opportunity to make submissions towards the ideal ATS DE Handbook.
4	ASTI Workshop	3 - 5 May 2023	Virtual Meeting	The purpose of the workshop was to capacitate AvSec instructors to be CAA-certified and to prepare them for recertification.

No.	Technical Workshop	Date	Venue	Comments
5	Dangerous Goods Roadshows	21 June 2023	Boksburg, Gauteng	The purpose of the Dangerous Goods roadshows was to educate the industry about the changes in Part 92 regulations, to assist industry with compliance and to strengthen the relationship with the industry and ensure a safe transport chain for the transportation of dangerous goods by air. Furthermore, the aims of the roadshows were to create and promote overall awareness regarding the safe transportation of dangerous goods by air by all entities, namely, aircraft operators, cargo entities, post office, packing organisations, shippers, freight forwarders, package testing organisations, training organisations, security screening organisations, and airport authorities. The Dangerous Goods section provides technical expertise on dangerous goods to the aviation industry and its key responsibilities include regulatory oversight in terms of the orderly and safe transportation of dangerous goods by air and the regulatory oversight of the aviation industry to ensure the safe, secure, and orderly transport of dangerous goods by air.
		27 June 2023	Durban, KwaZulu Natal	
		30 June 2023	Durbanville, Western Cape	
6	Dangerous Goods: internal engagements webinar - AvSec Division	13 June 2023	Gauteng (Virtual)	
7	Dangerous Goods: internal engagements webinar - Flight Operations Department	14 June 2023	Gauteng (Virtual)	
QUARTER 2				
8	AVSEC OJT Workshop	13 July 2023	Virtual	The workshop was delivered virtually and attended only by personnel that were confirmed to be compliant to become OJT personnel and had submitted all the relevant documentation in line with regulations. The workshop covered the areas of hold baggage screening, vehicle and access control, cargo screening, passenger and cabin baggage screening and K9 screening.
9	DCA Industry Roadshows	24 July 2023	Johannesburg, Gauteng	The final instalment of the DCA Industry Roadshows took place successfully with Cape Town Stakeholders. The roadshow targeted those members of the industry who do not normally participate in the quarterly stakeholder forums. The SACAA shares pertinent information on key organisational projects that impact the industry and upcoming projects where industry participation is required
10	Cabin Crew Instructor and Examiner Conference	3 August 2023	ANEW Hotel Centurion, Gauteng	The workshop focused on discussing competency-based training in a dynamic industry. The conference theme was about maintaining competence in this sector.
11	Non-Scheduled Operations, Part 114: ACSP Implementation & Security Risk Management in Aviation	27 September 2023	Virtual, Microsoft Teams	The event was targeting non-scheduled operations.
12	ATS Designated Examiners Conference	28 September 2023	Protea Hotel OR Tambo	The event targeted ATS designated examiners.
QUARTER 3				
13	Safety Management Systems Workshop, Durban	23 October 2023	The Riverside Conference Centre, Durban	42 delegates attended the event.
14	Safety Management Systems Workshop, Cape Town	26 October 2023	AC Marriott Hotel, Cape Town	The event was a success and attended by 33 delegates.
15	Safety Management Systems Workshop, Johannesburg	31 October 2023	Birchwood Conference Centre, Johannesburg	The event was hosted successfully.

No.	Technical Workshop	Date	Venue	Comments
16	Aviation Security Training Initial	1-3 November 2023	Premier Hotel in Kempton Park	The AVSEC National Instructor Certification is mandated by the National Aviation Security Programme. AVSEC Instructors undergo re-certification every 2 years, with both initial and re-certification workshops conducted by the SACAA. A suggestion has been made for the SACAA team to incorporate discussions on current CARS & CATS into these workshops. Additionally, there was an appreciation for an informative cyber security presentation.
17	DCA Industry Roadshow	17 November 2023	Durban, KZN	The roadshow targeted those members of the industry who do not normally participate in the quarterly stakeholder forums. The SACAA shared pertinent information on key organisational projects that impact the industry and upcoming projects where industry participation is required
18	South African UAS (Drone) Manufacturers webinar	22 November 2023	The SACAA, Virtual event	The event was deemed successful, with the majority of delegates providing positive feedback. However, some expressed a need for clarity regarding specific drone regulations.
19	DCA Industry Roadshow	30 November 2023	Virtual	The roadshow targeted those members of the industry who do not normally participate in the quarterly stakeholder forums. The SACAA shared pertinent information on key organisational projects that impact the industry and upcoming projects where industry participation is required.
20	ICAO Cyber Security Work Group	4 – 7 December 2023	Protea Hotel Fire & Ice, Melrose Arch	The event was a success and attended by 30 delegates.
21	Part 110 OJT Workshop	12 December 2023	The Protea Hotel OR Tambo	The workshop was a success.
QUARTER 4				
22	AvSec ASTI Workshop	2 February 2024	The SACAA Offices	The workshop was a success.
23	AvSec Airports & Airlines workshops	7 – 9 February 2024	Virtual event	The workshop was a success and took place over three days.
24	Flight Procedure Design Workshop	22 - 23 February 2024	Premier Hotel, Midrand	The two-day event was a success. The workshop was attended by 23 delegates.
25	Risk Based Oversight Workshop. Remove Performance	13 March 2024	Webinar	The workshop was hosted by Avsec Risk Specialist to the security stakeholders to address and educate how to mitigate and identify risks.
26	CORSIA Aviation Environmental Protection Workshop	14 March 2024	Midrand Conference Centre	The event was hosted successfully, and the delegates gave positive feedback about the workshop.
27	DCA Industry Roadshow	26 February 2024	Cape Town, Western Cape	The final instalment of the DCA Industry Roadshows took place successfully with Cape Town stakeholders. The roadshow targeted those members of the industry who do not normally participate in the quarterly stakeholder forums. The SACAA shared pertinent information on key organisational projects that impact the industry and upcoming projects where industry participation is required.
28	GAARS Seminar	28 February 2024	Gqeberha, Eastern Cape	The event took place successfully and the issues discussed ranged from general aviation to SSP. The delegates that attended included students and instructors.

Table 4: 2023/24 Stakeholder Engagements

Regional Missions

In 2014, ICAO introduced the **"No Country Left Behind" (NCLB)** to help developing states in the implementation of ICAO's Standards and Recommended Practises (SARPs).

The Regional Cooperation Strategy was developed and launched in 2019 to position South Africa as a mentor to the Southern African Development Communities Civil Aviation Authorities and assist with training and mentorship to ensure that the aviation sector in the SADC region is developed. South Africa voluntarily rolled out an African skills programme which was later overtaken by the launch of the Regional Cooperation Strategy which aim is to primarily provide support to SADC States who are struggling with meeting their ICAO obligations.

To date, the SACAA has cooperated with more than 20 countries over the years, not just in the SADC region, but in other regions within the continent. Since the commencement of the Strategy's implementation plan, the SACAA was involved in numerous **"On the Job Training" (OJT)** activities as well as technical and information exchange missions and programmes supported by its Technical Divisions. To date, the SACAA has assisted countries such as Lesotho, Tanzania, Zimbabwe, Botswana, Mauritius, eSwatini, Zambia, Malawi, Seychelles and others.

Below are the Regional Cooperation Missions completed in the 2023/24 financial year.

Regional Cooperation Missions

No.	State	Activity Details
1.	Seychelles	• Internal Audit OJT took place from 29 May - 2 June 2023. • Accident Investigation Technical support to establish AIG Office Training took place on 9-13 October 2023. • Business Enterprise Management Training took place on 23 October – 3 November2023 in the Seychelles.
2.	Lesotho	• Technical MOU signed between Lesotho and the SACAA. • Initial gap analysis meeting took place on 26 March 2024.
3.	Tanzania	• The SACAA Aviation Medicine (AVMed) provided training with AMEs.
4.	Eswatini	• Accident Investigation OJT concluded on 10 July 2023. • eSWACAA completed DG training on 30 October 2023 – 3 November 2023.
5.	Zimbabwe	• MoU between the SACAA and Zimbabwe Civil Aviation Authority (ZCAA) was signed. • The plan on AFI-CES Technical Assistance on Aviation Security and Facilitation for Zimbabwe took place from 20-24 November 2023.
6.	Namibia	• MoU was signed on 6 November 2023. • The SACAA collaborated on the syllabus on examinations for aviation personnel. • The SACAA provided the following training: PEL, Flight Ops (23 October 2023 – 3 Novvember 2023), AvMed (30 October – 10 November 2023) • The SACAA Board hosted the NCAA Board in a high-level visit from 6-7 November 2023. • The SACAA assisted Namibia CAA with preparations for the ICAO USOAP CMA audit, in the field of Flight Ops.

Table 5: Regional Cooperation Missions

Transformation Initiatives

The Board approved a three-year Transformation Plan and the implementation is concluded during the current reporting period. The Transformation Plan looks at various pillars including skills development, Socio-economic development and Enterprise and Supplier Development.

To effectively transform the industry the SACAA embarked on a number of initiatives including promoting aviation as a career to previously disadvantaged communities.

School Visits

The SACAA Career Awareness Programme remains a critical initiative to create country-wide awareness of aviation as a career option but also to demystify aviation to predominantly previously disadvantaged communities.

During the reporting period, the SACAA reached a total of 73 522 learners through school visits and career exhibitions and Expos. This is a huge jump from the almost 40 000 learners reached in the previous financial year.

School Visits

NO	SCHOOL VISITS	DATE	PROVINCE	NO OF SCHOOLS REACHED	NO OF LEARNERS REACHED
QUARTER 1					
1.	Phuthaditjhaba Aviation Youth Show	20 April 2023	Free State	40	512
2.	2023 Univen- Vhembe Phase 2 Career Exhibition	2 - 5 May 2023	Limpopo	150	12 485
3.	Unisa Career Fair	4 May 2023	Mpumalanga	8	909
4.	SAAF Museum Career Expo and Air Show	5 - 6 May 2023	Gauteng	33	2445
5.	Mkhuhlu School Visit	8 - 12 May 2023	Mpumalanga	14	3 216
6.	Uthukela District Career Expo	22 - 26 May 2023	KwaZulu-Natal	141	6 690
7.	Young Aviation Professionals' Assembly (YAPA)	23 June 2023	Gauteng	4	60
	Total			**390**	**26 317**
QUARTER 2					
1.	St Monica Career Day	29 July 2023	Gauteng	-	9
2.	Mahikeng School Visit	31 July- 4 August 2023	North West	32	7 556
3.	11th Annual Science Unlimited 2023 Expo	1-4 August 2023	Gauteng	7	2 103
4.	Gauteng Westrand Schools Visit (eKasiCareerCampaign)	16-18 August 2023	Gauteng	7	935
5.	Kroonstad Schools Visit	21-25 August 2023	Free State	11	1 206
6.	The SACAA Philippi Aviation Youth Show	22 September 2023	Western Cape	12	472
	Total			**69**	**12 281**
QUARTER 3					
1.	The SACAA October Transport Month (OTM) Build-Up Campaign	10-11 October 2023	Mpumalanga	12	3 600
2.	SACAA Career Expo and Drone Display	13 October 2023	Mpumalanga	31	830
3.	International Civil Aviation Day (ICAD) 2023	8-9 December 2023	Eastern Cape	25	622
	Total			**68**	**5 052**
QUARTER 4					
1.	Lephalale Schools Visit (Back2School Campaign)	5-8 February 2024	Limpopo	8	502
2.	Daveyton School Visit (Back2School Campaign)	12-15 February 2024	Gauteng	5	2 449
3.	Klerksdorp Schools Visit (Back2School Campaign)	19-22 February 2024	North West	12	1 609
4.	Northern Cape Aviation Youth Show	1 March 2024	Northern Cape	10	465
5.	Gqeberha and Uitenhage Aviation Youth Shows	18-19 March 2024	Eastern Cape	48	690
	Total			**83**	**5 715**

Table 6: 2023/24 School Visits

Exhibitions

2023/24 Exhibitions

NO	EXHIBITIONS	DATE	PROVINCE	NO OF SCHOOLS REACHED	NO OF LEARNERS REACHED
QUARTER 1					
1.	Ministerial inspection and ground-breaking at the N3 Ashburton Interchange	2 May 2023	KwaZulu-Natal	N/A	-
2.	BBSYD STEM Career Expo	8 June 2023	Limpopo	6	252
3.	ATNS Maubane SS Career Expo	15 June 2023	Gauteng	1	877
4.	Department of Transport and Community Safety Limpopo Career Exhibition	29 June 2023	Limpopo	N/A	133
5.	KwaZulu-Natal Career Exhibition	22 - 24 June 2023	KwaZulu-Natal	-	9 560
6.	SAMSA Day of the Seafarer	27 June 2023	KwaZulu-Natal	N/A	150
7.	Department of Transport Build-Up Activities to Presidential Imbizo	28 - 29 June 2023	KwaZulu-Natal	6	481
8.	KwaZulu-Natal Department of Transport – Job Creation and Empowerment	29 June 2023	KwaZulu-Natal	N/A	5 000
	Total			**13**	**16 453**
QUARTER 2					
1.	Kwamnyandu Career Expo	28 August – 1 September 2023	KwaZulu-Natal	13	1 795
2.	Ministerial Mega Transport Career Expo	19 September 2023	Kwa-Zulu Natal	145	2 000
3.	Virginia Career Expo and Air show	8-9 September 2023	KwaZulu-Natal	8	620
	Total			**166**	**4 415**
QUARTER 3					
1.	Career Exhibition and Business Breakfast at Alfred Nzo District	17-18 October 2023	Eastern Cape	7	257
2.	The Link Summer Camp 2023	27 October 2023	Gauteng	-	32
	Total			**7**	**289**
QUARTER 4					
1.	Tourism Entrepreneurship Careers Expo 2024	20-21 February 2024	KwaZulu-Natal	78	3 000
	Total			**78**	**3 000**

Table 7: 2023/24 Exhibitions

****This is an estimated figure.***

Bursary Scheme

Aviation as a career is still inaccessible to many young South Africans. Amongst the barriers to entry, is the cost of training which automatically excludes poor South Africans who cannot afford training. The SACAA Bursary Scheme aims to create opportunities for young South Africans to participate in this industry by making funding available to those with excellent academic results who can otherwise not afford the cost of training. The impact of the bursary scheme contributes to the building of a pipeline of young, qualified aviators. The bursary scheme focuses on aeronautical engineering, piloting, and aircraft maintenance.

The SACAA Bursary Scheme Programme has been implemented since 2013 and it is growing from strength to strength, having benefited more than 100 recipients.

In 2020, the SACAA launched the pilot training programme with the ENAC French civil aviation tertiary institution. The first intake consisted of five student pilots to train and obtain frozen Airline Transport Pilot Licenses (ATPLs). Four of these students successfully completed the programme whilst the fifth candidate changed careers and trained and qualified as an aircraft maintenance engineer.

In October 2023, the SACAA sent eight more cadets to France to benefit from this 36-months long programme to train for their ATPL.

Bursary Recipients

PROGRAMME	NUMBER OF BURSARS	BREAKDOWN	STATUS	INSTITUTION
Aeronautical Engineering Programme	6	1x 4th year 2x 3rd year 3x 2nd year	The fourth-year students are carrying some courses from the third year. One of the third-year students is progressing well and another submitted an appeal to stay in the programme which was granted. The second-year students are progressing well.	Wits University
Cadet Pilots	19	5	4 x License conversion plus night rating 1 x writing instrument rating exams	Central Flight Academy (CFA)
		1 x PPL	The student is progressing well with her training.	Loutzavia
		1 x CPL	The student is renewing her PPL to complete night rating	Blue Chip
		1 x CPL	PPL completing flight hours	Eagle Air
		2 x Student pilots 1x PPL	Students progressing well	Starlight Aviation
		8 x Frozen ATPL	Students commenced their training on 4 October 2023	Ecole Nationale Aviation Civile (ENAC)
Aircraft Mechanical Engineering (AME) Apprentice Programme	5	1	Practical Training in Durban	FlySafair
		4	Started their theoretical training in July 2023	Mega Aero Training Academy (MATA)

Table 8: Bursary Recipients

11. PERFORMANCE INFORMATION

11.1 Overview of Organisational Performance

The SACAA is a schedule 3A public entity, according to the PFMA. In terms of this Act, the Regulator submits an Annual Performance Plan to the Minister of Transport for approval. The organisation committed to implement a total of twenty-five activities and has achieved all the planned targets, resulting in a 100% achievement rate.

The organisation achieved all planned activities in the Industry Cyber Security project, Civil Aviation Safety Plan project, Risk-Based Oversight project, Civil Aviation Pandemic Preparedness plan, General Aviation Safety Strategy implementation plan, Financial Sustainability plan, Human Capital plan, Business Process Redesign project, ICT Plan, Research Strategy implementation plan, Forensic Frand and Corruption plan, Ethics plan and the Stakeholder Management Plan. The organisation had no open major ISO findings or did not open significant internal audit findings at the end of the financial year. All Parliamentary Questions were processed as per the set deadlines.

The organisation also exceeded the targets in the implementation of the CAA-specific ICAO USAP CMA CAP findings, Client Satisfaction survey recommendations, Transformation Plan and the Regional Cooperation Plan.

The organisation achieved a clean and unqualified audit opinion in the 2023/24 audit by AGSA and attracted no findings making this the second year in a row where zero findings were attracted. As a result, there was no CAP to be developed or closed. Below is the detailed performance information schedule.

11.2 Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

	ACHIEVED
	IN PROGRESS
	NOT ACHIEVED
	NOT YET DUE/ FUTURE TARGET

Performance Information, 2023/24 financial year

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
Outcome 1: Strengthen Safety and Security Oversight														
1.	Percentage Industry Cyber Security Strategy implemented	100% of Phase 3 of 3 of the Industry Cyber Security Strategy Implemented	Implement 30% of Phase 3 of 3 of the Industry Cyber Security Strategy for approval by ExCo and report progress to the Board.	5% of the Industry Cyber Security Strategy was implemented and the report was approved by ExCo. Progress on the project was reported to Board.	Implement 50% of Phase 3 of 3 of the Industry Cyber Security Strategy for approval by ExCo and reported progress to the Board.	50% of the Industry Cyber Security Strategy has been implemented. A report was submitted to, and approved by, ExCo, and progress was reported to Board.	Implement 70% of Phase 3 of 3 of the Industry Cyber Security Strategy for approval by ExCo and report progress to the Board.	63% of Phase 3 of the Cyber Security Strategy has been implemented. The progress report was submitted to ExCo for approval and the report was approved. Progress is reported to the Board.	Implement 100% of Phase 3 of 3 of the Industry Cyber Security Strategy for approval by ExCo and report progress to the Board.	100% of Phase 3 of the Cyber Security Strategy has been implemented. The progress report was submitted to, and approved by ExCo. Progress is reported to Board.	100% of Phase 3 of 3 of the Industry Cyber Security Strategy was Implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	
2.	Percentage Civil Aviation Safety Plan implemented.	100% of Phase 3 of 3 of the revised Civil Aviation Safety Plan (CASP) implemented.	30% of Phase 3 of 3 of the CASP implementation plan to be completed for approval by ExCo and report progress to the Board.	25% of the CASP project plan was achieved. A report was submitted to, and approved by, ExCo, and progress was reported to Board.	50% of Phase 3 of 3 of the CASP implementation plan to be completed for approval by ExCo and report progress to the Board.	33% of the CASP project plan was achieved. A report was submitted to, and approved by, ExCo, and progress was reported to Board.	70% of Phase 3 of 3 of the CASP implementation plan to be completed for approval by ExCo and report progress to the Board.	42.8% of the CASP has been implemented. The progress report was submitted to ExCo for approval and the report was approved. Progress is reported to the Board.	100% of Phase 3 of 3 of the CASP implementation plan to be completed for approval by ExCo and reported progress to the Board.	100% of Phase 3 of 3 of the CASP implementation plan was implemented. The progress report was submitted to, and approved by ExCo. Progress is reported to Board.	100% of Phase 3 of 3 of the revised Civil Aviation Safety Plan (CASP) was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
3.	Percentage Risk-based oversight model implemented	100% of Y3 of 3 of the RBO model implemented	Implement 25% of Y3 of 3 of the Risk-based Oversight model for approval by ExCo and report progress to Board.	The RBO project plan was not approved by ExCo. Progress was reported to Board.	Implement 50% of Y3 of 3 of the Risk-based Oversight model for approval by ExCo and report progress to Board.	The project plan was resubmitted to ExCo and was approved by ExCo. 62.5% of the RBO project plan has been implemented. A report was submitted to and approved by ExCo, and progress was reported to Board.	Implement 75% of Y3 of 3 of the Risk-based Oversight model for approval by ExCo and report progress to Board.	67% of Y3 of 3 of the Risk-based Oversight model has been implemented. The progress report was submitted to ExCo for approval and the report was approved. Progress is reported to the Board.	Implement 100% of Y3 of 3 of the Risk-based Oversight model for approval by ExCo and report progress to Board.	100% of the plan has been achieved as of the end of quarter 4. The progress report was submitted to, and approved by ExCo. Progress is reported to Board.	100% of Y3 of 3 of the RBO model was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	
4.	Civil Aviation Pandemic Preparedness Plan (CAPPP) implemented	100% implementation of the Civil Aviation Pandemic Plan implemented	25% implementation of the Civil Aviation Pandemic Preparedness Plan implemented	The CAPPP report was submitted to ExCo but was not approved. Progress was reported to Board.	50% implementation of the Civil Aviation Pandemic Preparedness Plan implemented	The revised project plan was submitted to ExCo and was approved. 33% of the CAPPP plan has been implemented during the quarter under review. A report was submitted to. and approved by ExCo, and progress was reported to Board.	75% implementation of the Civil Aviation Pandemic Preparedness Plan implemented	75% of the CAPP implementation plan has been implemented. The progress report was submitted to ExCo for approval and the report was approved. Progress is reported to the Board.	100% implementation of the Civil Aviation Pandemic Preparedness Plan implemented	100% of the CAPPP has been achieved. The progress report was submitted to ExCo.and was approved. Progress is reported to Board.	100% implementation of the Civil Aviation Pandemic Plan was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
5.	Percentage ICAO USAP CMA CAP implemented.	60% of the CAA-specific ICAO USAP CMA CAP findings as per the approved CAP resolved.	N/A	N/A	30% of the CAA-specific ICAO USAP CMA CAP findings as per the approved CAP resolved.	32.26% of the CAA-specific ICAO USAP CMA CAP findings as per the approved CAP were resolved during the quarter under review.	40% of the CAA-specific ICAO USAP CMA CAP findings as per the approved CAP resolved.	47% of the CAA-specific ICAO USAP CMA CAP findings were resolved.	60% of the CAA-specific ICAO USAP CMA CAP findings as per the approved CAP resolved.	68.5% of the CAA-specific ICAO USAP CMA CAP findings as per the approved CAP were resolved. The progress report was submitted to, and approved by ExCo. Progress is reported to Board.	68.5% of the CAA-specific ICAO USAP CMA CAP findings as per the approved CAP were resolved. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	The overachievement relates to the speedy regulation development and amendment processes carried out by the organisation.	N/A	
6.	ICAO USOAP CMA Audit Conducted.	USOAP CMA audit conducted	Undergo ICAO USOAP audit with no SSC.	ICAO USOAP CMA audit conducted.	N/A	N/A	N/A	N/A	N/A	N/A	South Africa was audited under the USOAP CMA audit methodology and attracted no Significant Safety Concern.	N/A	N/A	
7.	Development of ICAO USOAP CMA Corrective Action Plan	USOAP CMA Corrective Action plan based on preliminary results developed and approved by ExCo	N/A	N/A	USOAP CMA Corrective Action plan based on preliminary results developed.	The USOAP CMA CAP based on the preliminary results developed and submitted to ExCo for noting. ExCo approved the progress report and progress was reported to the Board.	USOAP CMA Corrective Action plan approval by ExCo.	USOAP CMA Corrective Action plan was approved by ExCo	N/A	N/A	USOAP CMA Corrective Action plan based on preliminary results was developed and approved by ExCo.	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
8.	Percentage GA Safety Strategy implemented.	95% of Year 4 of 5 of the GA Safety Strategy targets implemented.	Implement 30% of GASS Implementation Plan for Year 4 of 5 for approval by ExCo and report progress to the Board.	5% of the GASS Implementation Plan for Year 4 of 5 was achieved. A report was submitted to ExCo, and it was approved with comments. Progress was reported to Board.	Implement 50% of GASS Implementation Plan for Year 4 of 5 for approval by ExCo and report progress to the Board.	The GASS project plan was revised and submitted to ExCo. The plan was approved. 43% of the GASS Implementation Plan for Year 4 of 5 was achieved. A report was submitted to and approved by ExCo, and progress was reported to Board.	Implement 70% of GASS Implementation Plan for Year 4 of 5 for approval by ExCo and report progress to the Board.	56% of the GASS Implementation Plan for Year 4 of 5 was achieved. The progress report was submitted to ExCo for approval and approved. Progress is reported to the Board.	Implement 95% of GASS Implementation Plan for Year 4 of 5 for approval by ExCo and report progress to the Board.	100% of the GASS implementation plan has been achieved. The progress report was submitted to, and approved by ExCo. Progress is reported to Board.	100% of Year 4 of 5 of the GA Safety Strategy targets were implemented. The progress report was submitted to and approved by ExCo. Progress was reported to Board.	N/A	N/A	
Outcome 2: Optimised Financial Sustainability														
9.	Value of wasteful of wasteful and fruitless expenditure incurred per case.	Zero cases of wasteful and fruitless expenditure incurred above R500k per case.	Report on the status of wasteful and fruitless expenditure cases to ExCo and Board.	No wasteful and fruitless expenditure was incurred during the period under review. A report was submitted to, and approved by, ExCo, and progress was reported to Board.	Report on the status of wasteful and fruitless expenditure cases to ExCo and Board.	No wasteful and fruitless expenditure was incurred during the period under review. A report was submitted to, and approved by, ExCo, and progress was reported to Board.	Report on the status of wasteful and fruitless expenditure cases to ExCo and Board.	No wasteful and fruitless expenditure was incurred during the period under review. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	Report on the status of wasteful and fruitless expenditure cases to ExCo and Board.	No wasteful and fruitless expenditure was incurred during the period under review. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	Zero cases of wasteful and fruitless expenditure above R500k were incurred. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
10.	Value of irregular expenditure incurred per case.	Zero cases of irregular expenditure incurred above R500k per case.	Report on the status of irregular expenditure cases to ExCo and Board.	No irregular expenditure was incurred during the period under review. A report was submitted to, and approved by, ExCo, and progress was reported to Board.	Report on the status of irregular expenditure cases to ExCo and Board.	No irregular expenditure was incurred during the period under review. A report was submitted to, and approved by, ExCo, and progress was reported to Board.	Report on the status of irregular expenditure cases to ExCo and Board.	No irregular expenditure was incurred during the period under review. The progress report was submitted to ExCo for approval and approved. Progress is reported to the Board.	Report on the status of irregular expenditure cases to ExCo and Board.	No irregular expenditure was incurred during the period under review. The progress report was submitted to, and approved by ExCo. Progress is reported to Board.	Zero cases of irregular expenditure above R500k were incurred. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	
11.	The SACAA's financial sustainability maintained for it to carry out its mandate.	90% of the Financial Sustainability Plan activities implemented.	20% of the Financial Sustainability Plan activities implemented.	10% percent of the Financial Sustainability plan has been achieved during the period under review. A report was submitted to, and approved by ExCo, and progress was reported to Board.	40% of the Financial Sustainability Plan activities implemented.	47.1% of the Financial Sustainability plan activities implemented during the quarter under review. A report was submitted to, and approved by ExCo, and progress was reported to Board.	60% of the Financial Sustainability Plan activities implemented	76.5% of the Financial Sustainability Plan has been implemented during the quarter under review. The progress report was submitted to ExCo for approval and approved. Progress is reported to the Board.	90% of the Financial Sustainability Plan activities implemented.	100% Financial Sustainability Plan was implemented. The progress report was submitted to and approved by ExCo. Progress was reported to Board.	100% of the Financial Sustainability Plan was implemented. The progress report was submitted to and approved by ExCo. Progress was reported to Board.	Activities where external dependencies were a factor, such as tariff fee consultations with industry, were concluded ahead of time.	N/A	
12.	Percentage of suppliers paid within 30 days.	100% of suppliers paid within 30 days of valid invoices received by Finance	Pay all suppliers within 30 days of receipt of a valid invoice submitted to Finance for approval by ExCo. Report progress to Board.	All Suppliers were paid within 30 days of receipt of valid invoice and progress was reported to ExCo. ExCo approved the report. Progress was reported to Board.	Pay all suppliers within 30 days of receipt of a valid invoice submitted to Finance for approval by ExCo. Report progress to Board.	All suppliers were paid within 30 days for the quarter under review. ExCo approved the report. Progress was reported to Board.	Pay all suppliers within 30 days of receipt of a valid invoice submitted to Finance for approval by ExCo. Report progress to Board.	All suppliers were paid within 30 days for the quarter under review. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	Pay all suppliers within 30 days of receipt of a valid invoice submitted to Finance for approval by ExCo. Report progress to Board.	All suppliers were paid within 30 days for the quarter under review. 100% The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	100% of suppliers were paid within 30 days of valid invoices received by Finance. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
Outcome 3: Optimised Human Capital														
13.	Percentage Human Capital Plan implemented.	95% of Y3 of 5 of the Human Capital Plan implemented.	Implement 30% of Y3 of 5 of the Human Capital Plan for approval by ExCo. Report progress to Board.	23% of the annual HR Operational Plan has been implemented during the period under review. A report was submitted to ExCo and approved. Progress was reported to Board.	Implement 50% of Y3 of 5 of the Human Capital Plan for approval by ExCo and report progress to Board.	46% of the Human Capital Plan has been implemented during the quarter under review. The progress report was submitted for approval by ExCo, and progress was reported to Board.	Implement 70% of Y3 of 5 of the Human Capital Plan for approval by ExCo and report progress to Board.	71% of the Human Capital Plan has been implemented during the quarter under review. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	Implement 95% of Y3 of 5 of the Human Capital Plan for approval by ExCo and report progress to Board.	100% of the Human Capital Plan has been implemented during the quarter under review. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	100% of Y3 of 5 of the Human Capital Plan was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A.	N/A	
Outcome 4: Optimised Innovation and Technology Capability														
14.	Percentage business process redesign project plan implemented	100% of Y3 of 3 of the Business Process Redesign Project plan implemented.	Implement 30% of Y3 of 3 of the BPR project for approval by ExCo	45 % of the Y3 of 3 of the BPR project was implemented during the period under review. The report was approved by ExCo.	Implement 50% of Y3 of 3 of the BPR project for approval by ExCo	78% of the Y3 of 3 of the BPR project has been implemented during the period under review. The progress report was approved by ExCo.	Implement 75% of Y3 of 3 of the BPR project for approval by ExCo.	97% of Y3 of 3 of the BPR project has been implemented. The progress report was submitted for approval by ExCo, and approved.	Implement 100% of Y3 of 3 of the BPR project for approval by ExCo.	100% of the BPR project plan was implemented. A report was submitted to ExCo and approved.	100% of Y3 of 3 of the Business Process Redesign Project plan was implemented. A report was submitted to ExCo and approved.	N/A	N/A	
15.	Percentage ICT plan implemented	90% Phase 1 of 3 of the targets as per approved ICT plan implemented.	Implement 30% of Phase 1 of 3 of the ICT Plan for approval by ExCo and report progress to Board.	20% of Phase 1 of 3 of the ICT Plan has been implemented. A report was submitted to ExCo and approved. Progress was reported to Board.	Implement 50% of Phase 1 of 3 of the ICT Plan for approval by ExCo and report progress to Board.	37.5% of Phase 1 of 3 of the ICT Plan has been implemented. A report was submitted to ExCo and approved. Progress was reported to Board.	Implement 70% of Phase 1 of 3 of the ICT Plan for approval by ExCo and report progress to Board.	63.7% of Phase 1 of 3 of the ICT Plan has been implemented. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	Implement 90% of Phase 1 of 3 of the ICT Plan for approval by ExCo and report progress to Board.	100% of Phase 1 of 3 of the ICT Plan has been achieved. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	100% Phase 1 of 3 of the targets as per approved ICT plan were implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
16.	Percentage Research Strategy implemented.	100% of Y3 of 3 of the Research Strategy implementation plan implemented.	25% of Y3 of 3 of the Research Strategy implementation plan implemented, approved by ExCo, and progress reported to Board.	11% of Y3 of 3 of the Research Strategy implementation plan was achieved. A report was submitted to ExCo and approved. Progress was reported to the Board.	50% of Y3 of 3 of the Research Strategy implementation plan implemented, approved by ExCo and Progress was reported to Board.	43.7% of Y3 of 3 of the Research Strategy implementation plan implemented. A report was submitted to ExCo and approved. Progress was reported to the Board.	75% of Y3 of 3 of the Research Strategy implementation plan implemented, approved by ExCo, and progress reported to Board.	63% of Y3 of 3 of the Research Strategy implementation plan implemented. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	100% of Y3 of 3 of the Research Strategy implementation plan implemented, approved by ExCo, and progress reported to Board.	100% of Y3 of 3 of the Research Strategy implementation plan was achieved. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	100% of Y3 of 3 of the Research Strategy implementation plan was implemented. The progress report was submitted to, and approved by ExCo. Pr,ogress was reported to Board.	N/A	N/A	
Outcome 5: Effective Stakeholder Engagement and Service														
17.	Percentage Stakeholder Management Plan implemented.	95% of Phase 4 of 5 of the Stakeholder Management Plan implemented.	30% of Phase 4 of 5 of the SMP implemented, for approval by ExCo and report progress to Board.	20% of Phase 4 of 5 of the SMP was achieved and a report was submitted to ExCo and approved. Progress was reported to Board.	50% of Phase 4 of 5 of the SMP implemented for approval by ExCo and report progress to Board	46% of Phase 4 of 5 of the SMP has been achieved. A report was submitted to ExCo and approved. Progress was reported to the Board.	70% of Phase 4 of 5 of the SMP implemented, for approval by ExCo and report progress to Board.	71% of Phase 4 of 5 of the SMP activities has been implemented. The progress report was submitted to ExCo for approval and approved. Progress is reported to the Board.	95% of Phase 4 of 5 of the SMP implemented, for approval by ExCo and report progress to Board.	100% of the SMP has been implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	100% of Phase 4 of 5 of the Stakeholder Management Plan was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A.	N/A	
18.	Percentage Client Satisfaction Survey recommendations implemented	80% of Client Satisfaction Survey recommendations implemented.	Develop an implementation plan for the Client Satisfaction Survey for approval by ExCo and report progress to Board.	The Client Satisfaction Plan has been submitted to ExCo and approved. Progress was reported to Board.	Implement 20% of the Client Satisfaction Survey plan and report to ExCo and report progress to Board.	23.5% of the Client Satisfaction Survey plan has been implemented. The progress report was approved by ExCo, and progress was reported to Board.	Implement 40% of the Client Satisfaction Survey plan and report to ExCo and report progress to Board.	41% of the Client Satisfaction Survey plan has been implemented. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	Implement 80% of the Client Satisfaction Survey plan and report to ExCo. Report progress to Board.	89% of the Client Satisfaction survey recommendations were implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	89% of Client Satisfaction Survey recommendations implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	A number of activities in this plan had external dependencies e.g. recruitment and appointment of service providers. These were concluded on time.	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
19.	Transformation Plan developed	A 3-year Transformation Plan developed.	Develop a 3-year Transformation Plan for approval by the Board	The 3-year Transformation Plan was developed and approved by ExCo. The report was approved by the Board.	N/A	N/A	N/A	N/A	N/A	N/A	A 3-year Transformation Plan was developed and approved by ExCo. The report was approved by the Board.	N/A	N/A	
20.	Percentage Transformation Plan implemented	80% of Y1 of 3 of the revised Transformation Plan implemented	N/A	N/A	30% of Year 1 of 3 of the Transformation Plan implemented for approval by ExCo and report progress to Board.	23% of Year 1 of 3 of the Transformation Plan has been implemented during the quarter under review. The progress report was submitted to, and approved by, ExCo, and progress was reported to the Board	60% of Year 1 of 3 of the Transformation Plan implemented for approval by ExCo. Report progress to Board.	58% of the Transformation Plan was implemented during the quarter under review. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	80% of Year 1 of 3 of the Transformation Plan implemented for approval by ExCo and report progress to Board.	97% of the Transformation Plan was achieved. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	97% of Y1 of 3 of the revised Transformation Plan was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	The implementation of the 3 year Board approved Transformation Plan started promptly which resulted in the organisation achieving most of the targets ahead of time.	N/A	
21.	Percentage Regional Cooperation Plan implemented.	95% of Phase 2 of 3 of the Regional Cooperation Plan implemented.	30% of Phase 2 of 3 of the Regional Cooperation Plan implemented for approval by ExCo.	30% of Phase 2 of 3 of the Regional Cooperation plan was implemented. A report was submitted to ExCo and approved.	50% of Phase 2 of 3 of the Regional Cooperation Plan implemented for approval by ExCo.	43% of Phase 2 of 3 of the Regional Cooperation plan was implemented. A progress report was submitted to and approved by ExCo.	70% of Phase 2 of 3 of the Regional Cooperation Plan implemented for approval by ExCo.	73.4% of Phase 2 of 3 of the Regional Cooperation Plan has been implemented. The progress report was submitted for approval by ExCo, and approved.	95% of Phase 2 of 3 of the Regional Cooperation Plan implemented for approval by ExCo	95.7% of the Regional Cooperation Plan was achieved. A report was submitted to, and approved by ExCo.	95.7% of Phase 2 of 3 of the Regional Cooperation Plan was implemented. A report was submitted to, approved by, ExCo.	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
Outcome 6: Sustained Good Governance and Organisational Effectiveness														
22.	Unqualified audit outcome by AGSA.	Unqualified audit with no material findings achieved.	N/A	N/A	Unqualified audit with no material findings achieved.	Unqualified Audit achieved with no material findings.	N/A	N/A	N/A	N/A	An unqualified audit opinion with no material findings was achieved.	N/A	N/A	
23.	Percentage AG audit findings closed.	100% of AG audit findings resolved	N/A	N/A	Develop a corrective action plan for approval by ExCo and Board.	No audit findings raised by the AG. Therefore, no CAP is required.	Close 50% of audit findings for approval by ExCo and Board.	No Audit findings were raised by the AG. The progress report was submitted to ExCo for approval and the report was approved. Progress is reported to the Board.	Close 100% of audit findings for approval by ExCo and Board	No Audit findings were raised by the AG. 100% target is therefore met. The progress report was submitted to, and approved by ExCo. Progress is reported to Board.	No audit findings were raised in the AGSA audit and therefore no audit findings required closure.	N/A	N/A	
24.	Percentage of ISO audit major findings resolved.	95% of major ISO audit findings due in the FY resolved.	30% of the major ISO audit findings closed in the FY for approval by ExCo.	No major findings were raised in the audits conducted during the period under review. 30% was achieved.	50% of the major ISO audit findings closed in the FY for approval by ExCo.	No major findings were raised in the audits conducted during the period under review. 50% was achieved. The progress report was submitted to, and approved by ExCo.	70% of the major ISO audit findings closed in the FY for approval by ExCo.	70% of the major ISO audit findings have been closed. The progress report was submitted for approval by ExCo, and approved.	95% of the major ISO audit findings closed in the FY for approval by ExCo.	There were no major findings open as at the end of the fourth quarter. 100% is therefore achieved. The progress report was submitted to ExCo and approved.	100% of major ISO audit findings due in the FY were resolved. The progress report was submitted to ExCo and approved	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
25.	Percentage of significant Internal Audit findings resolved	95% of Internal Audit significant findings due resolved.	30% of Internal Audit significant findings due, resolved for approval by ExCo	There were no open significant findings during the period under review. 30% of the target was therefore met. A report was submitted to and approved by ExCo.	50% of Internal Audit significant findings due, resolved for approval by ExCo	There were no open significant findings that were due during the period under review. 50% of the target was therefore met. A report was submitted to, and approved by ExCo.	70% of Internal Audit significant findings due resolved for approval by ExCo.	There were no open significant findings that were due during the period under review. 70% of the target was therefore met. The progress report was submitted to ExCo for approval and approved.	95% of Internal Audit significant findings due #,resolved for approval by ExCo.	All significant findings that were due during the quarter were successfully closed. The progress report was submitted to and approved by ExCo.	100% of Internal Audit significant findings due were resolved. The progress report was submitted to and approved by ExCo. Progress was reported to Board.	N/A	N/A	
26.	Parliamentary questions responded to.	100% of Parliamentary questions responded to.	100% of Parliamentary questions responded to and a progress report approved by ExCo	100% of Parliamentary questions were responded to, during period under review. A report was submitted to, and approved by ExCo.	100% of Parliamentary questions responded to and a progress report approved by ExCo	100% of Parliamentary questions were responded to, during period under review. A report was submitted to, and approved by ExCo.	100% of Parliamentary questions responded to and a progress report approved by ExCo.	Six Parliamentary Questions were processed during the quarter which translates to 100%. The progress report was submitted to ExCo for approval and approved.	100% of Parliamentary questions responded to and a progress report approved by ExCo.	100% of the PQs were processed during the financial year. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	100% of the Parliamentary questions were processed. A report was submitted to, and approved by ExCo.	N/A	N/A	
27.	Forensic Fraud and Corruption Annual plan developed and approved by the Board	Forensic Fraud and Corruption Annual plan developed.	Forensic Fraud and Corruption Annual plan developed and approved by the Board.	The Annual Forensic Fraud and Corruption Prevention Plan was developed and approved by the Board.	N/A	N/A	N/A	N/A	N/A	N/A	Forensic Fraud and Corruption Annual plan was developed and approved by the Board.	N/A	N/A	

No.	Annual Target Indicators	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Status
28.	Percentage of the Forensic Fraud and Corruption annual plan implemented.	100% of the Forensic Fraud and Corruption Annual Plan implemented	N/A	N/A	50% of the Forensic Fraud and Corruption Annual Plan implemented and report to ExCo and Board.	50% of the Forensic Fraud and Corruption Annual Plan implemented. A report was submitted to, and approved by ExCo. Progress was reported to Board.	70% of the Forensic Fraud and Corruption Annual Plan implemented and report to ExCo and Board.	69% of the Forensic Fraud and Corruption Annual Plan has been implemented. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	100% of the Forensic Fraud and Corruption Annual Plan implemented and report to ExCo and Board.	100% of the Forensic Fraud and Corruption plan was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	100% of the Forensic Fraud and Corruption Annual Plan was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	
29.	Ethics Plan developed and approved by the Board.	Ethics Plan developed and approved by the Board.	Ethics Plan developed and approved by the Board.	Ethics Plan was developed and approved by the Board.	N/A	N/A	N/A	N/A	N/A	N/A	The Ethics Plan was developed and approved by the Board.	N/A	N/A	
30.	Ethics Plan implemented.	95% of the Ethics Plan activities implemented.	N/A	N/A	40% of the Ethics Plan activities implemented and report progress to the Board.	43.5% of the Ethics Plan activities implemented. A report was submitted to and was approved by ExCo. Progress was reported to Board.	75% of the Ethics Plan activities implemented and report progress to Board.	77.75% of the Ethics plan has been implemented. The progress report was submitted to ExCo for approval and approved. Progress was reported to the Board.	95% of the Ethics Plan activities implemented and report progress to Board.	100% of the Ethics Plan was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	100% of the Ethics Plan was implemented. The progress report was submitted to, and approved by ExCo. Progress was reported to Board.	N/A	N/A	

Table 9: Performance Information, 2023/24 financial year

*** Positive variances that are more than 5% are explained in the variance column. Positive variances less than 5% will not be explained and should be read to mean that the organisation achieved more targets or activities than were planned. Negative variances shall be explained regardless of the % not achieved.***

11.3 Master Oversight and Surveillance Plan (MOSP)

As a safety and security regulator, the SACAA conducts surveillance and oversight inspections on operators from across all civil aviation areas. The next few tables provide a comprehensive analysis of the Master Oversight and Surveillance Plan (MOSP) activities per technical area.

11.3.1 Aviation Safety Operations (ASO) MOSP

The MOSP cumulative performance for ASO is reflected in the following table. Overall achievement of the ASO MOSP stands at 7, 40% over target.

LEGEND:	
Green	COMPLETE / TARGET ACHIEVED
Amber	IN PROGRESS
Red	INCOMPLETE
Blue	DUE AT A LATER DATE

ASO MOSP

AVIATION SAFETY OPERATIONS MOSP 2023/2024																						
	MOSP Annual Target					Q1		Q1		Q1		Q1		Q1		Q1		Q1		Q1		YTD STATUS
						Target		Target		Target		Target		Target		Target		Target		Target		
	Operations	Renew Target	Renew Act.	Surv Target	Surv Act.	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	
1.	High/L Air Operators	68	68	24	16	9	10	7	7	24	6	28	3	16	2	15	2	19	6	18	4	-8.70%
2.	Aerial Work Air Operators	91	85	18	18	19	3	17	0	15	6	20	9	18	4	12	2	39	5	36	7	-5.50%
3.	RPAS Operators	68	64	14	14	19	4	18	0	24	2	25	2	14	4	13	8	11	4	8	4	-4.88%
4.	Foreign Air Operators	N/A	N/A	62	62	N/A	12	N/A	10	N/A	18	N/A	21	N/A	18	N/A	17	N/A	14	N/A	14	0.00%
5.	Special Air Events, Airshows and Other	NA	NA	18	23	N/A	5	N/A	9	N/A	5	N/A	5	N/A	4	N/A	5	N/A	4	N/A	4	27.78%
6.	General Aviation Ramp Inspections (Part 91 & 94),	NA	NA	182	232	N/A	45	N/A	48	N/A	46	N/A	60	N/A	47	N/A	54	N/A	44	N/A	70	27.47%
7.	Recreation Aviation Airfield & Site Inspections	NA	NA	60	86	N/A	17	N/A	20	N/A	15	N/A	18	N/A	15	N/A	23	N/A	13	N/A	25	43.33%
8.	Commercial NTCA AOC (Part 96)	1	6	10	9	1	0	2	2	0	4	0	2	0	2	0	3	0	4	4	2	36.36%

AVIATION SAFETY OPERATIONS MOSP 2023/2024																						
	MOSP Annual Target					Q1 Target		Q1 Target		Q1 Target		Q1 Target		Q1 Target		Q1 Target		Q1 Target		Q1 Target		YTD STATUS
	Operations	Renew Target	Renew Act.	Surv Target	Surv Act.	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	
9.	Aviation Recreational Organisations (Part 149)	6	12	16	12	0	1	1	3	2	6	3	5	2	3	2	2	2	6	6	2	9.09%
10.	Design Organisations (ADO)	7	7	7	7	1	2	2	2	3	1	2	1	2	1	0	0	1	3	3	4	0.00%
11.	Aircraft Maintenance Organisations (AMO)	240	239	195	194	62	42	66	50	62	51	61	42	48	52	50	51	68	50	62	51	-0.46%
12.	Manufacturing Organisation (AMORG)	17	17	17	17	5	4	5	4	3	6	1	5	3	4	6	3	6	3	5	5	0.0%
13.	Delegated Engineering Representatives (DER)	5	5	5	5	1	1	2	2	1	1	0	1	1	3	1	1	2	0	2	1	0.00%
TOTAL		503	503	628	695	117	146	120	157	134	167	140	174	104	159	99	171	148	156	144	193	5.92%

Table 10: Aviation Safety Operations MOSP

11.3.3.1 ASO Deviations

The table below provides the reasons for the deviation.

Deviations – ASO MOSP, 2023/24

Area	Notes
Quarter 1	
Flight Operations	Seven Renewal and eight Surveillance Audits were deferred to July (Quarter 2), due to resource and time constraints, created by the FAA readiness preparations and workload.
General Aviation	• Renewal audits conducted at ESFERA and Fantini Aviation. • Part 149 renewal audit conducted at SAGPA. • Conducted additional ramps to make up for April shortfall. • Surveillance audits conducted at BAFSA. • SAE: Ops exceeded target by 4 due to number of events during this time to promote safety. • GA: Ops exceeded target by 3 due to ad-hoc oversight while conducting scheduled SAE oversight in KZN. • RA: Ops exceeded target by 3 due to ad-hoc oversight while conducting scheduled SAE oversight in KZN.
Airworthiness	• Reported a positive deviation of 4 AMO renewal audits that were conducted ahead of time. • Reported a positive deviation of 8 AMO surveillances that were conducted ahead of time. • Reported a positive deviation of 1 ADO renewal that was conducted ahead of time. • Reported a positive deviation of 1 DAR renewal that was conducted ahead of time. • Reported a positive deviation of 1 DAR surveillance that was conducted ahead of time.
Quarter 2	
FOD	• AOC and FOP deviation is due to inspector training and assistance certification mission for Royal Air Swazi at eSwatini, and ISASO work group.
General Aviation	• No Special air events approved during Quarter, none oversighted. • GA ramps exceed targets due to additional oversight. • Additional Part 149 renewal audits at SAC & MOGAS. • Additional Part 149 surveillance audits at SAMAA & RCASA.
Airworthiness	• We do not project targeted for ADO applications, so this seems in incorrect. In terms of MSOP, no deviations for all MSOP activities were recorded in Q2 2023/2024.
Personnel Licensing	During Q2, PEL visited a number of ATO's, in addition to the planned MSP, to review examinations that AME's must write. This was to compare general examinations at ATO's and The SACAA Examination Section, to ensure compliance.
Quarter 3	
General Aviation	• SAHPA's renewal audit was due in January 2024. It was elected to conduct the renewal audit earlier in December 2023. • SAC's renewal audit was conducted in August 2023. It was elected to conduct the surveillance audit midway (6-months) between renewal audits. Surveillance audit is scheduled to be conducted in February 2024. • Part 91 Ramps target exceeded due to additional airfield inspections and the oversight opportunity – see note 4. • Additional recreational airfield Inspections were done in November – the planned circuit of inspections allowed for additional surveillance.

Area	Notes
Airworthiness	• 1 ADO renewal was not conducted, Aerodesigns renewal audit is rescheduled for the 10th of January 2024 as per the client's request. • 1 AMO renewal was not conducted. AMO 137 Plennegy postponed the planned audit for 04-05 December 2023 to 30-31January 2024 due to unavailability of Accountable, Quality & Safety manager. • 3 AMO surveillances were not conducted. AMO 1533 HWTI t/a Aircraft Inc Closed/Surrendered approval in July 2023, no surveillance could be conducted. Oribi and Aero Services to be carried out in January 2024. • 1 AMORG, Jazz Spirit, renewal audit was conducted on 8 December 2023 as a catch-up audit from November. • 1 surveillance AMORG FM Filters was conducted on 6 December 2023 as a catch-up audit from November.
Personnel Licensing	During Q3, PEL visited several ATO's, in addition to the planned MSP, to review examinations that AME's must write. • No FSTD Inspections were done in Q3.
Southern Region Office	H/L Operators: Winelands scheduled for December; Ag Sprayers Scheduled December. • Aerial Work: In progress. • RPAS: nine done, two suspended, two scheduled for December. • AMO: two planned for December; three AMO's closed and one scheduled for December
Quarter 4	
Flight Operations	The following inspection were not completed because the operators did not apply for renewals, and this affects the surveillance numbers as well: • High/Low AOC renewal planned = 68. Carried out = 68. • High/Low AOC Ad hoc planned = 24. Carried out = 16. • Aerial work AOC renewal planned = 91. Carried out = 85. • Aerial work AOC Ad hoc planned = 18. Carried out = 18. • Part 101 ROC renewal planned = 68. Carried out = 64. • Part 101 ROC Ad hoc planned = 14. Carried out = 14 Foreign Operators (FOP) ramps = 62. Carried out = 62.
General Aviation	Part 96 Holder Aerotrack did not renew their approval therefore 1 less renewal audit conducted. GA Ramps. Due to increased level of incidents and accidents additional Ad-Hoc inspections were conducted to increase visibility and promote compliance & safety. RA Ramps. Due to increased level of incidents and accidents additional Ad-Hoc inspections were conducted to increase visibility and promote compliance & safety. SAE. There were more aviation events than targeted, additional Ad-Hoc oversight was conducted to increase visibility and promote compliance & safety. All GA Ops oversight targets were exceeded to ensure diligence and apply a Duty of Care to improve safety and compliance GA 127%: RA 145%: SAE 127% target.
AvMed	Conducted a total of 26 of 27 inspections. The remaining facility is Phalaborwa – on arrival the facility was closed for inspection The outstanding inspection will be followed up during April 2023.

Table 11: Deviations – Aviation Safety Operations (ASO) MOSP, 2023/24

11.3.2 Aviation Security Master Oversight and Surveillance Plan (MOSP)

The Aviation Security MOSP performance for the 2023/24 is reflected in the following table for the period ending 31 March 2024. The target was exceeded by 9,5% in the reporting period.

LEGEND:	
(green)	COMPLETE / TARGET ACHIEVED
(yellow)	IN PROGRESS
(red)	INCOMPLETE
(blue)	DUE AT A LATER DATE

Aviation Security MOSP

AVIATION SECURITY DIVISIONAL SCORECARD 2023/2024																					
MOSP Annual Target					Q1 Target		Q1 Actual		Q2 Target		Q2 Actual		Q3 Target		Q3 Actual		Q4 Target		Q4 Actual		STATUS
Operations	*Renewal Target	Renewal Actual.	**Surv Target	Surv Actual	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	
Airports and Airlines	24	23	286	297	6	63	6	70	8	64	8	64	9	60	8	65	1	99	1	98	103%
Regulated Agents and Known Consignors	114	126	149	182	53	23	60	36	34	40	36	38	15	49	15	56	12	37	15	52	117%
Dangerous Goods	201	175	207	253	41	47	24	45	44	72	45	96	43	50	38	41	73	38	68	71	105%
Training Organisations	26	23	54	83	9	11	9	16	10	14	9	29	4	14	3	20	3	15	2	18	133%
Screening Organisations	24	25	48	57	8	14	7	16	5	9	7	12	7	11	9	16	4	14	2	13	114%
TOTAL	**389**	**372**	**744**	**872**	**117**	**158**	**106**	**183**	**101**	**199**	**105**	**239**	**78**	**184**	**73**	**198**	**93**	**203**	**88**	**252**	**114%**

Table 12: Aviation Security MOSP, 2023/24

11.3.2.1 Aviation Security MOSP Deviations

Deviations – Aviation Security MOSP, 2023/24

Area	Notes
Quarter 1	
Airports and Airlines	• MOSP performance currently tracking at 110% against quarterly target.
Cargo Security	• MOSP performance currently tracking at 126% against quarterly target.
Dangerous Goods	• MOSP performance currently tracking at 78% towards quarterly target.
Training Organisations	• MOSP performance currently tracking at 125% towards quarterly target.
Screening Organisations	• MOSP performance currently tracking at 104% towards quarterly target.
Quarter 2	
Dangerous Goods	• MOSP performance currently tracking at 117% towards quarterly target. The variance is mostly due to increased surveillance inspections to monitor compliance.
Training Organisations	• MOSP performance currently tracking at 158% towards quarterly target. The variance is mostly due to additional instructor evaluations and training site approvals.
Screening Organisations	• MOSP performance currently tracking at 135% towards quarterly target. The variance is due to additional ad-hoc inspections that were conducted. During travel to outstations for exam purposes, ad-hoc inspections are included as a cost-saving measure.
Quarter 3	
Airports & Airlines	• MOSP performance currently tracking at 103% against planned activities. • The variance is due to an additional seven surveillance inspections that were conducted to monitor compliance.
Regulated Agents and Known Consignors	• MOSP performance currently tracking at 113% against planned activities. • The variance is due to new applications, follow up inspections as well as AOC and ramp inspections. It relates to 27 additional activities conducted in the year to date.
Dangerous Goods	• MOSP performance currently tracking at 99% against planned activities. • The negative variance is due to a shortfall of three inspections that were not conducted. The shortfall is due to four inspectors that attended their refresher training and inspectors that needed to attend to cross border base inspections. • The shortfall will be addressed in the 4th quarter.
Training Organisations	• MOSP performance currently tracking at 146% against planned activities. • The variance of 27 additional oversight activities is due to additional instructor evaluations, training site approvals and oversight activities on satellite training areas due to compliance concerns.
Screening Organisations	• MOSP performance currently tracking at 118% against planned activities. • The variance of 10 additional oversight activities is due to additional ad-hoc inspections that were conducted following a pending transition of screening organisations at ACSA.
Quarter 4	
Dangerous Goods	• MOSP performance currently tracking at 105% against planned activities. • The variance is due to increased surveillance inspections to monitor compliance. It relates to 20 additional inspections that were conducted for the financial year to date.
Regulated Agents & Known Consignors	• MOSP performance currently tracking at 117% against planned activities. • The variance is due to new applications, follow up inspections as well as AOC and ramp inspections. It relates to 45 additional activities that were conducted in the year to date. • Renewals conducted are over the number of the planned due to one new client as well as two existing clients moving sites. Surveillances conducted are above the number of the planned due to added surveillances (AOCs, Ramps)
Airports & Airlines	• MOSP performance currently tracking at 103% against planned activities. • The variance is due to increased surveillance inspections to monitor compliance and additional surveillance following reports of non-operational screening equipment at ORTIA. It relates to 10 additional inspections that were conducted for the financial year to date.
Training Organisations	• MOSP performance currently tracking at 133% against planned activities. • The variance is due to additional instructor evaluations and additional training site approvals. It relates to 26 additional inspections that were conducted for the financial year to date.
Screening Organisations	• MOSP performance currently tracking at 114% against planned activities. • The variance is due to additional ad-hoc inspections that were conducted, mostly to monitor compliance at ACSA airports due to security service provider tender complications. During travel to outstations for exam purposes, ad hoc inspections are included as a cost saving measure. In total 10 additional inspections were done for the financial year to date.

Table 13: Aviation Security MOSP Deviations, 2023/24

11.3.3 Aviation Safety Infrastructure (ASI) MOSP

The ASI MOSP performance for the 2023/24 financial year is reflected in the following table. The MOSP implementation stood at 110% for the reporting period due to additional surveillance inspections conducted.

LEGEND:	
(green)	COMPLETE / TARGET ACHIEVED
(amber)	IN PROGRESS
(red)	INCOMPLETE
(blue)	DUE AT A LATER DATE

ASI MOSP, 2023/24

AVIATION INFRASTRUCTURE MOSP 2023/24																					
MOSP Annual Target					Q1 Target		Q1 Actual		Q2 Target		Q2 Actual		Q3 Target		Q3 Actual		Q4 Target		Q4 Actual		YTD STATUS
Operations	*Renewal Target	Renew Acc.	**Surv Target	Surv Acc.	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	
Air Traffic Services	24	24	24	26	6	6	6	6	6	5	6	7	7	6	7	5	5	7	5	8	Notes 11, 12, 18, 22, 30
Aerodromes	112	121	19	28	24	6	25	11	37	1	38	0	32	4	31	9	27	8	27	8	Notes 1-10,13 – 17,20 - 21, 23, 26 -29,31.
CNS	0	0	53	56	0	19	0	19	0	15	0	15	0	12	0	13	0	7	0	9	Notes 24, 25
AEP	0	0	14	13	0	3	0	3	0	4	0	4	0	2	0	2	0	5	0	4	Note 22
MET	0	0	24	28	0	7	0	7	0	9	0	9	0	6	0	6	0	2	0	6	Note 32
TOTAL	136	145	134	151	30	41	31	46	43	34	44	35	39	29	38	35	32	32	32	35	110%

Table 14: Aviation Safety Infrastructure MOSP, 2023/24

11.3.3.1 Aviation Safety Infrastructure Deviations

Deviations – ASI, 2023/24

Note Number	Explanation
Quarter 1	
1	Polokwane Airport 21 - 22 April 2023 – Exemption application inspection – lights.
2	Bisho Airport 05 April 2023 – Exemption application in preparation for UAE President's visit.
3	Skukuza Airport 20 April 2023 – Upgrade of License category.
4	Wonderboom Airport 20 April 2023 – Follow-up on Safety Concern raised – Windsock.
5	Malelane Airport, 4 - 5 May 2023 - AD License transfer to new owners.
6	Polokwane Airport 14 - 15 June 2023 – Lights inspection to cancel the current NOTAM.
7	Richard's Bay Airport 26 June 2023 - Lights inspection to cancel the current NOTAM.
8	Kitty Hawk Airport 29 June 2023 - Resolution of safety concerns on obstacles.
9	Plettenberg Bay Airport unannounced inspection on 22 June 2023.
Quarter 2	
10	Wonderboom Airport License upgrade inspection on 13-14 July 2023.
11	An ad hoc unit visit (FAWB) was conducted on 19 July 2023 following a Telkom disruption which affected coordination at the unit.
12	An ad hoc unit visit (FAGC) was conducted on 25 July 2023 to ascertain staffing complement following a report on resignation of a second ATC. PEL and Enforcement were engaged to discuss safety issues and the way forward.
13	Pilanesberg Int. Airport (FAPN) ad hoc inspection not conducted. FAPN downgraded to Cat 2, with no scheduled movements.
Quarter 3	
14	Plettenberg Bay Airport– Follow up inspection on 16 and 17 October 2023
15	Upington Int Airport Emergency Exercise, 26-27/10/2023.
16	Braam Fisher Int Airport Emergency Exercise, 12-13/10/2023.
17	King Shaka Int Airport Emergency Exercise, 31/10-1/11/2023.
18	Somerset East Airport de-licensed and moved to the Registered Aerodromes group.
19	Wonderboom Airport follow-up 13/11/2023.
Quarter 4	
22	Pilanesberg Int. Airport (FAPN) – Aviation Environmental (AEP) surveillance inspection not conducted due to aerodrome downgraded to Cat 2, with no scheduled movements and, thus, no AEP program.
23	Rand Airport - Runway markings displaced threshold inspection, 31/01/2024.
24	Plettenberg Bay Airport - CNS follow up inspection to close findings, 31/01/2024.
25	King Shaka Intl Airport – CNS Ad hoc inspection to close findings, 7- 8/2/24.
26	George Airport – Follow up inspection 1/2/2024, Fire drill non-compliance.
27	Polokwane Int Airport - 12-14/2/2024 - Phase 3 Inspection.
28	Kruger Mpumalanga Airport - 19-21/2/ 2024 - Phase 3 Inspection.
29	Bram Fisher Int. Airport - Five Phase AD Certification inspection, 11 – 13/3/ 2024.
30	Wonderboom Airport ATSU - Ad-hoc unit visit was conducted on 26/3/2024, as a follow up to verify serviceability of equipment and assess implementation of corrective action plans, following a surveillance inspection conducted on 16/2/2024.
31	Singita, Londolozi and Ulusaba aerodrome license desktop inspections, additional to MOSP, March 2024.
32	King Shaka, Bloemfontein, Richards Bay, Virginia Airports – four follow-up inspections for Aviation Meteorology (MET) was done to close findings, 25 - 27/2/24.

Table 15: Aviation Safety Infrastructure Deviations, 2023/24

11.4 State of Aviation Safety

11.4.1 Aircraft Accidents and Incidents Investigation

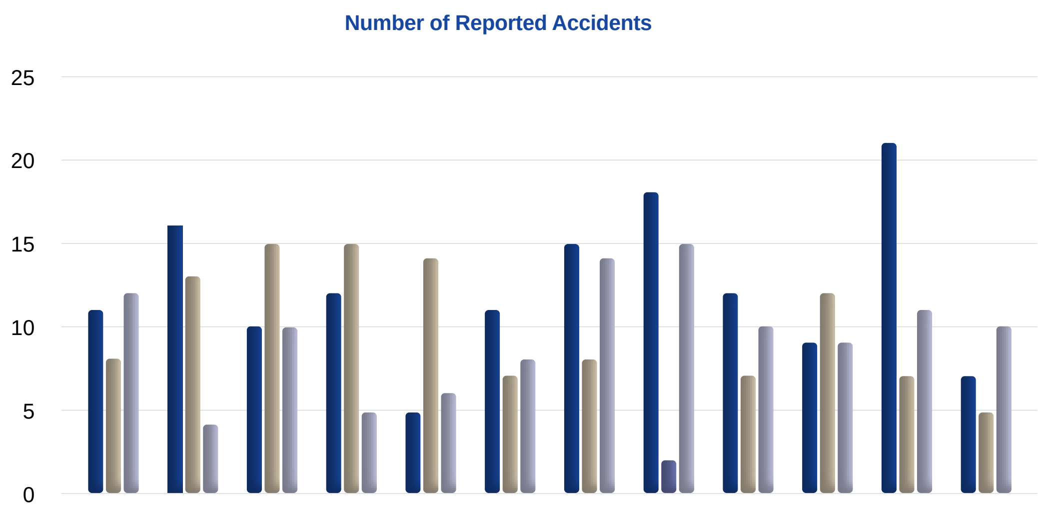
This section of the report provides an assessment of the aviation incidents and investigations that occurred in the Republic of South Africa during the financial year ending 31 March 2024. It tracks the performance on completed investigation reports as well as safety performance of aviation operations. This include the issued safety recommendations which identify areas that may require the attention and/or intervention from operators, maintenance organisations, design organisations, manufacturing organisations and regulators responsible for oversight functions.

Data in the 2023/24 financial year Annual Report is based on the most current and verified information available at the time of publication, compiled between 1 April 2023 and 31 March 2024.

11.4.1.1 Number of Accidents Recorded

The graphs below show a month-by-month comparison of accidents recorded, as well as the cumulative number of accidents in the past three financial years that were investigated by the AIID for the period 1 April 2021 to 31 March 2023.

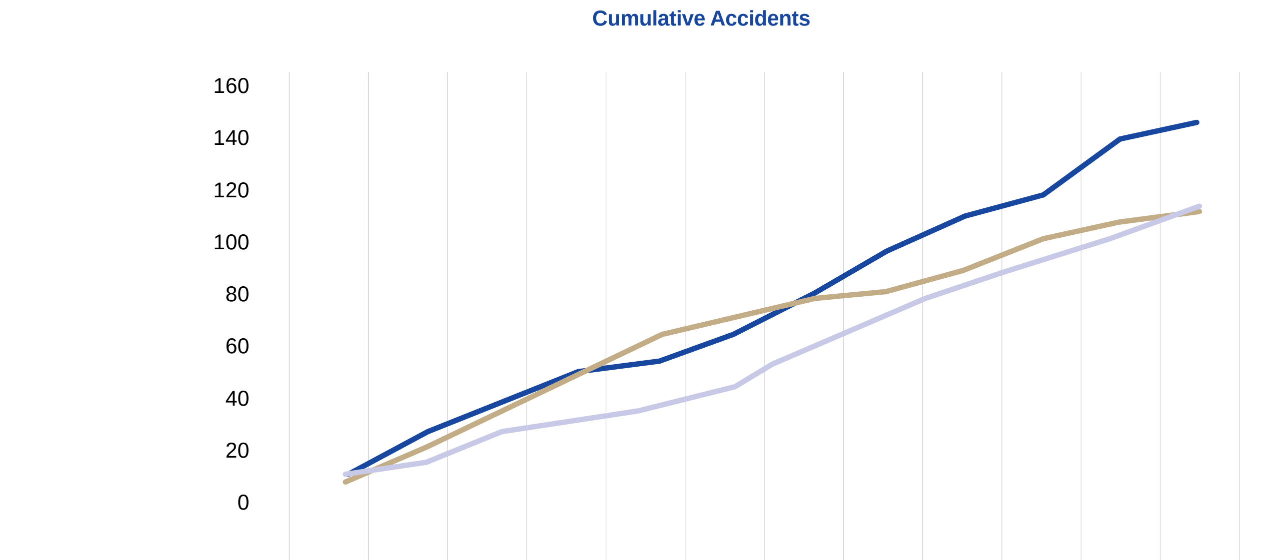
Three-year breakdown of accidents recorded between the 2021/22, 2022/23 and 2023/24 financial years.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Apr 21 - Mar 22	11	16	10	12	5	11	15	18	12	9	21	7
Apr 22 - Mar 23	8	13	15	15	14	7	8	2	7	12	7	5
Apr 23 - Mar 24	12	4	10	5	6	8	14	15	10	9	11	10

Graph 2: Three-year breakdown of accidents recorded between the 2021/22, 2022/23 and 2023/24 financial years.

Three-year breakdown of cumulative accidents recorded between the 2021/22, 2022/23 and 2023/24 financial years.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Apr 21 - Mar 22	11	27	37	49	54	65	80	98	110	119	140	147
Apr 22 - Mar 23	8	21	36	51	65	72	80	82	89	101	108	113
Apr 23 - Mar 24	12	16	26	31	37	45	59	74	84	93	104	114

Graph 3: Three-year breakdown of cumulative accidents recorded between the 2021/22, 2022/23 and 2023/24 financial years.

The AIID recorded 114 accidents during the 2023/24 financial year including 13 fatal accidents that resulted in 19 fatalities. This represents a 1% increase in accidents when compared to the 113 accidents recorded in 2022/23. In comparison to 2021/22, the figures the current financial year decreased by 22%.

60% of the accidents occurred in the second half of the financial year, which is dissimilar to the last previous financial year, whereas the the current financial year started positively will low accident numbers, demonstrated by the gap between the 2022/23 (red trend line) and 2023/24 (green trend line).

11.4.1.2 Accidents per Aircraft Category and Operation Type

Accidents per aircraft operation category between the 2021/22 and 2023/24 financial years

The majority of accidents in the 2023/24 financial year were observed in the operations of Aviation Training Organisations (ATO), Non-Type Certificated Aircraft (NTCA) and General Aviation and Operating Flight Rules, which collectively counted for 73% of all accidents recorded. Analysis of the 2023/24 financial year shows the following results in terms of accidents in the operational categories compared to the 2022/23 period:

- Agricultural Operations increased by 25%,
- Aviation Training Organisations decreased by 21%,
- General Aviation and Operating Flight Rules remained approximately the same.
- Operation of Non-Type-Certificated Aircraft increased by 10%,

There was a significant decrease in the operation of the ATO. However, in the General Aviation and Operating Flight Rules and Operation of Non-Type Certified Aircraft sectors we can see that the GASS is bearing fruits as the number of accidents in these sectors shows an improvement from the 2021/22 FY. The AIID will continue to monitor these sectors of operation and issue safety recommendations in accident reports.

11.4.1.3 Fatal Accidents Per Operations Category between 2021/22, 2022/23 and 2023/24 Financial Years

The number of fatal accidents increased from 9 to 13 and the action plan, especially contained in the GASS, would be monitored to a decrease, even though SA's accident rate is lower than global statistics. To achieve the SACAA's goal of reducing fatal accidents in general aviation operations by 50% by the end of FY 2024/25, more work needs to be done.

The SACAA continues to fulfil its mandate as evidenced by the safety record in the the safety of schedule and commercial air transport. In spite of all the progress made in aviation safety, which has resulted in zero fatal accidents occurring in scheduled and commercial operations for the past three financial years, there are still considerable concerns regarding fatal accidents occurring within the generation aviation and recreational sector.

Below is the comparative data on the number of accidents versus fatal accidents per operational category between 2021/22, 2022/23 and 2023/24 FY.

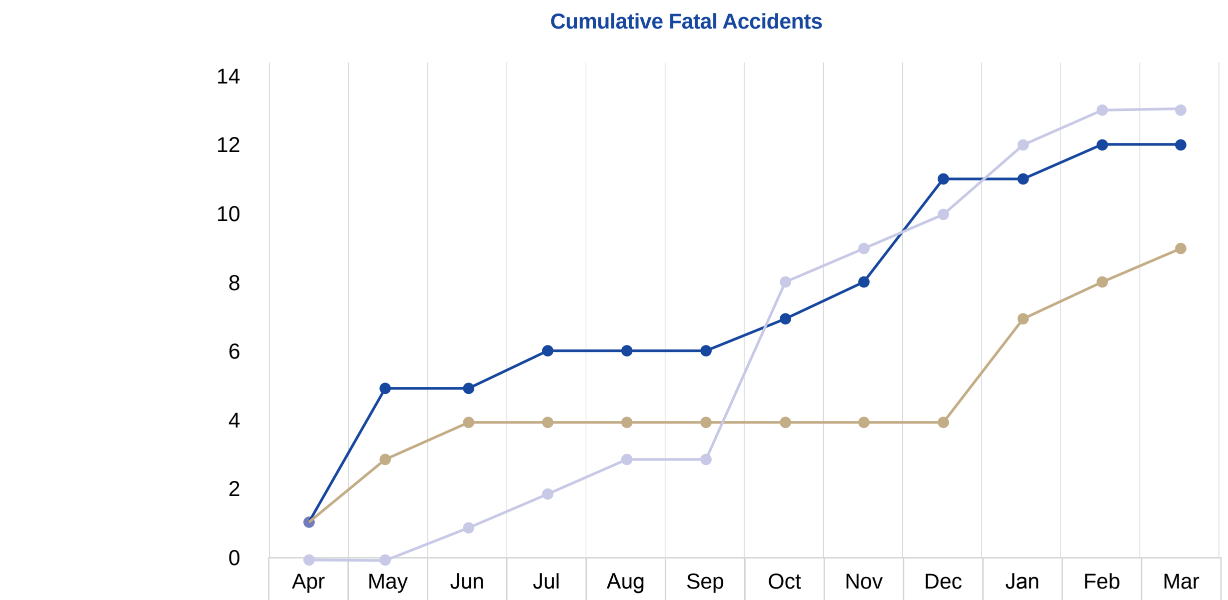
Fatal accidents per operations category between the 2021/22, 2022/23 and 2023/24 financial years.

	2021/22		2022/23		2023/24	
Operations Category	**No. of Accidents**	**No. of Fatal Accidents**	**No. of Accidents**	**No. of Fatal Accidents**	**No. of Accidents**	**No. of Fatal Accidents**
Agricultural Operations	11	2	8	1	10	2
Air Ambulance Operations	0	0	0	0	0	0
Air Transport Operations: Carriage on aeroplanes of more than 19 passengers or cargo	2	0	0	0	0	0
Air Transport Operations: Small Aeroplanes	1	0	2	0	3	0
Aviation Training Organisation	38	3	38	2	30	2
Commercial Helicopter Operations	1	0	0	0	2	0
Commercial Operation of Non-Type Certificated Aircraft	1	0	0	0	0	0
General Aviation and Operating Flight Rules	39	1	28	2	27	2
General Maintenance Rules	2	0	0	0	0	0
Helicopter Aerial Work and Other Operations	1	0	0	0	0	0
Operation of Non-type Certified Aircraft	51	6	36	4	40	7
Parachute Operations	0	0	1	0	2	0
Grand Total	**147**	**12**	**113**	**9**	**114**	**13**

Table 16: Fatal accidents per operations category between 2021/22, 2022/23 and 2023/24 financial years.

The graphs below depict three-years of recorded data and a cumulative comparison of fatal accidents. There is a 44% increase in fatal accidents during 2023/24 compared to the same period in 2022/23.

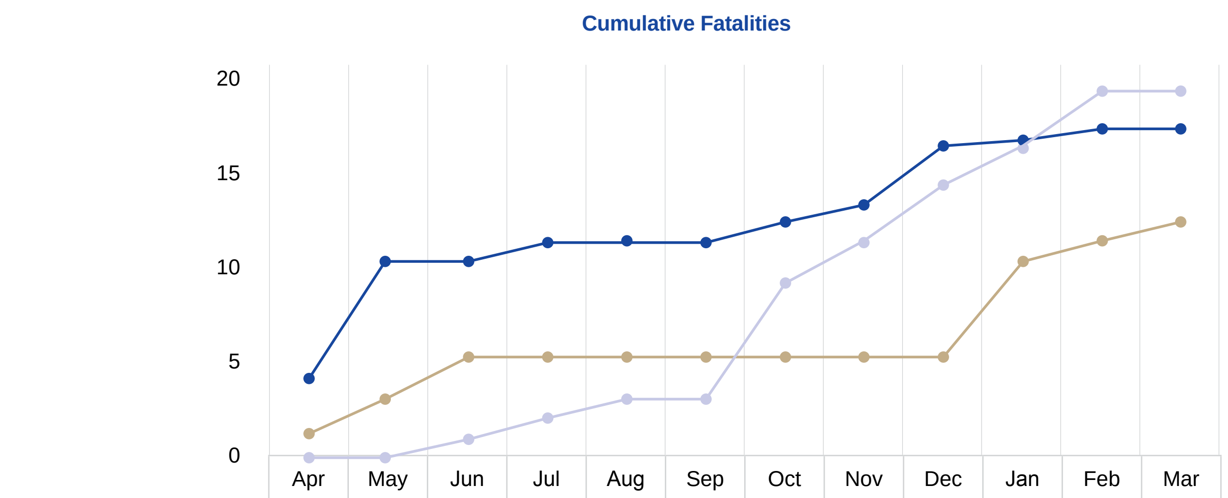
Cumulative number of fatal accidents comparison between the 2021/22, 2022/23 and 2023/24 financial years.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Apr 21 - Mar 22	1	5	5	6	6	6	7	8	11	11	12	12
Apr 22 - Mar 23	1	3	4	4	4	4	4	4	4	7	8	9
Apr 23 - Mar 24	0	0	1	2	3	3	8	9	10	12	13	13

Graph 4: Cumulative number of fatal accidents comparison between the 2021/22, 2022/23 and 2023/24 financial years.

Cumulative number of fatalities: 2021/22, 2022/23 and 2023/24 financial years.



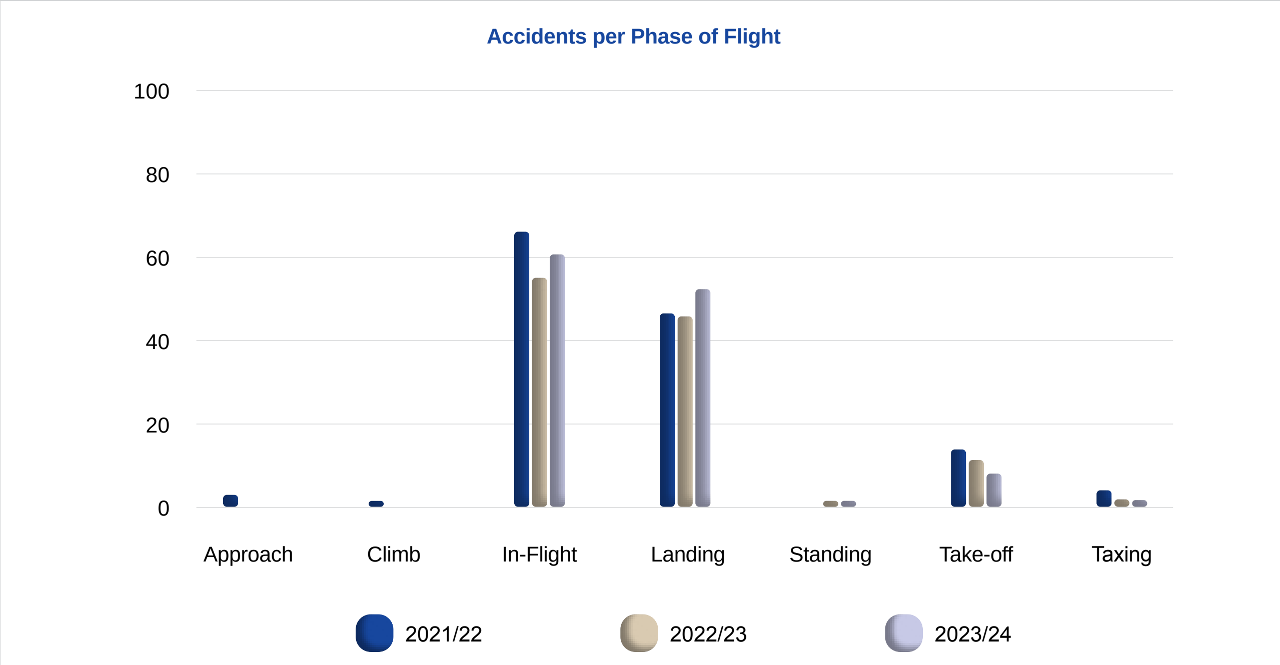
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Apr 21 - Mar 22	4	10	10	11	11	11	12	13	16	16	17	17
Apr 22 - Mar 23	1	3	5	5	5	5	5	5	5	10	11	12
Apr 23 - Mar 24	0	0	1	2	3	3	9	11	14	16	19	19

Graph 5: Cumulative number of fatalities: 2021/22, 2022/23 and 2023/24 financial years.

11.4.1.4 Accidents Per Phase of Flight Between the 2021/22, 2022/23 and 2023/24 Financial Years

The graph below represents the number of aircraft accidents per phase of flight. The majority of accidents occurs during the landing and in-flight phases, followed by the take-off phase. Due to the complexity of in-flight operations and landing, the crew must remain vigilant to prevent accidents and incidents. The factors that contribute to accidents per phase of flight include congested airspace, and weather changes. As a result, the crew's workload might increase, and unanticipated events might occur which ultimately lead to accidents.

Three-year breakdown of accidents per phase of flight recorded the between 2021/22, 2022/23 and 2023/24 financial years.

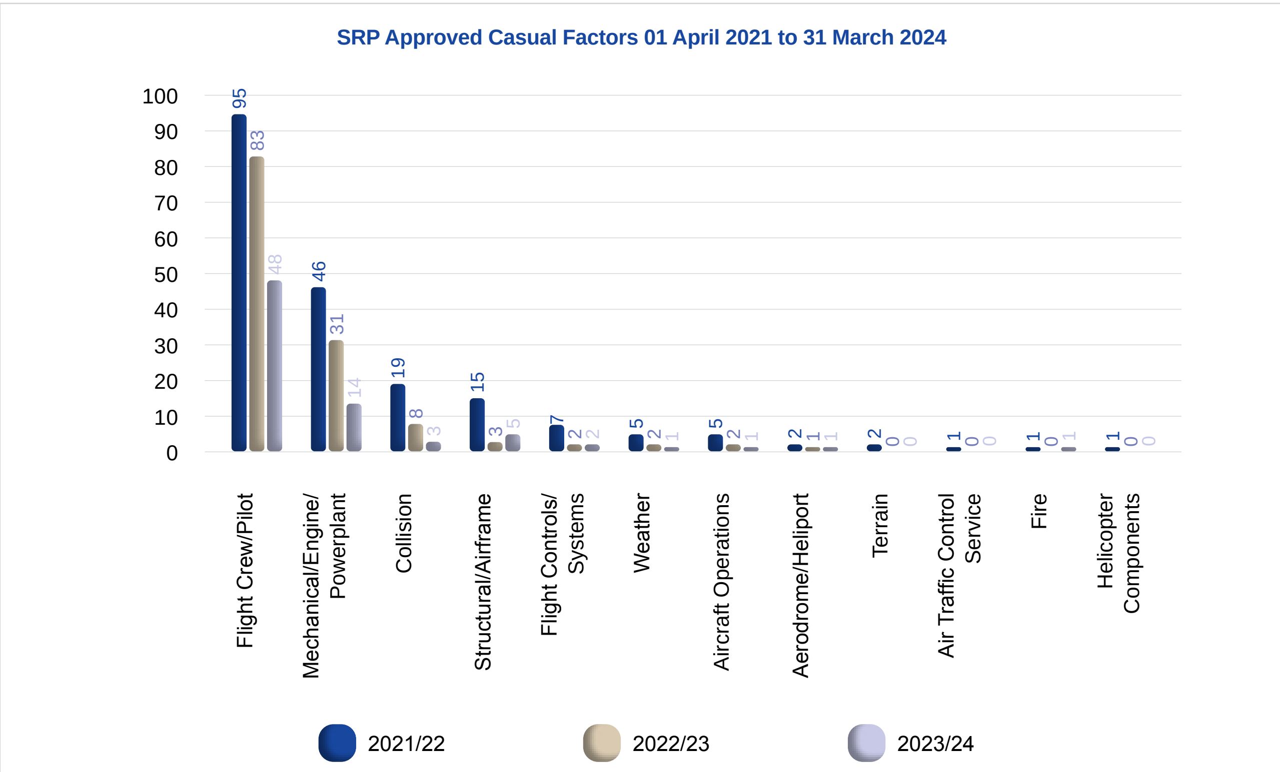


Graph 6: Three-year breakdown of accidents per phase of flight recorded between the 2021/22, 2022/23 and 2023/24 financial years.

11.4.1.5 Causal Factors Attributed to Accidents Between 2021/22, 2022/23 and 2023/24 financial years.

The graph below demonstrates the breakdown of accident causal factors for the period 2021/22, 2022/23 and 2023/24.

Causal factors attributed to accidents for the financial years 2021/22, 2022/23 and 2023/24.

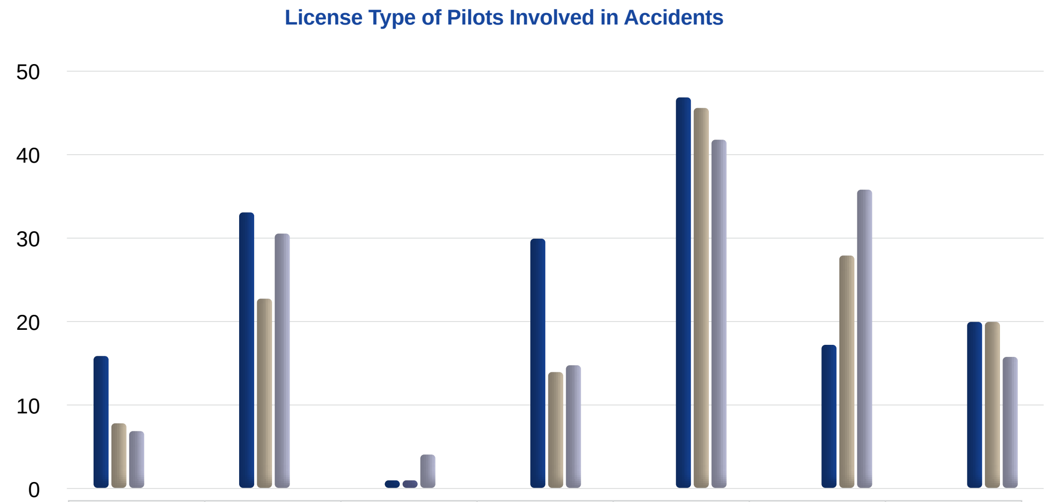


Graph 7: Causal factors attributed to accidents for the financial years 2021/22, 2022/23 and 2023/24.

11.4.1.6 Licence Types for Pilots Involved in Accidents Between the 2021/22, 2022/23 and 2023/24 financial years

The majority of accidents involved Private Pilot License holders, followed by Commercial Pilot License holders.

Graph 9: License types of pilots involved in accidents between the 2021/22, 2022/23 and 2023/24 per financial years.



	ATPL	CPL	GPL	NPL	PPL	RPL	SPL
2021/22	16	33	1	30	47	17	20
2022/23	8	23	1	14	46	28	20
2023/24	7	31	4	15	42	36	16

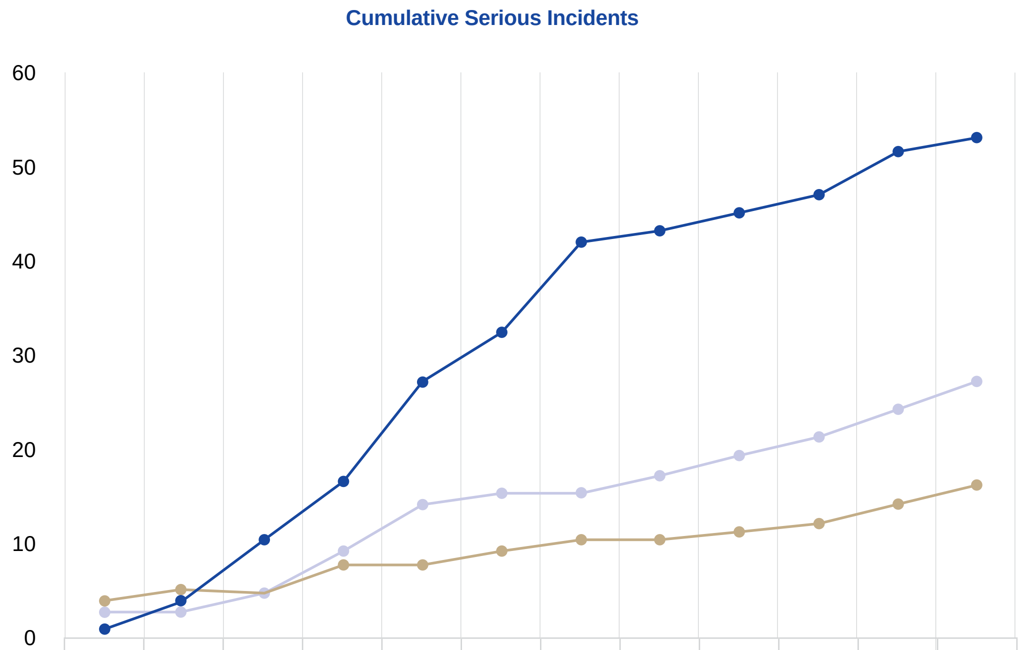
Graph 8: License types of pilots involved in accidents between the 2021/22, 2022/23 and 2023/24 per financial years.

11.4.1.7 Serious Incidents Reported Between the 2021/22, 2022/23 and 2023/24 Financial Years

The AIID has conducted investigations into the occurrences that are classified as serious incidents under the ICAO Annex 13 definition, in addition to accident investigations. A total of 27 serious incidents were recorded in the current reporting period compared to the 16 recorded during the 2022/23 reporting period. This represents a 69% increase in serious incidents noted in the 2023/24 reporting period.

Presented below is the graphical summary of serious incident investigations in the 2021/22, 2022/23 and 2023/24 reporting periods.

Three-year comparison of cumulated serious incidents between the 2021/22, 2022/23 and 2023/24 financial years.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Apr 21 - Mar 22	1	4	10	16	27	32	41	42	44	46	51	52
Apr 22 - Mar 23	4	5	5	8	8	9	10	10	11	12	14	16
Apr 23 - Mar 24	3	3	5	9	14	15	15	17	19	21	24	27

Graph 9: Three-year comparison of cumulated serious incidents between the 2021/22, 2022/23 and 2023/24 financial years.

11.4.1.8 Serious Incidents Per Operations Category Between the 2021/22, 2022/23 and 2023/24 Financial Years

Serious incidents per operations category between the 2021/22, 2022/23 and 2023/24 financial years.

Serious Incidents Per Operations Category	2021/22	2022/23	2023/24
Agricultural Operations	2	1	1
Air Ambulance Operations	1	0	0
Air Transport Operations: Carriage on aeroplanes of more than 19 passengers or cargo	5	1	2
Air Transport Operations: Small Aeroplanes	0	1	2
Aviation Training Organisation	13	6	13
General Aviation and operating Flight Rules	18	0	5
General Operating and Flight Rules	3	5	0
Operation of Non-type Certified Aircraft	9	1	4
Operation of Parachutes	1	0	0
Remotely Piloted Aircraft Systems	0	1	0
Grand Total	**52**	**16**	**27**

Table 17: Serious incidents per operations category between the 2021/22, 2022/23 and 2023/24 financial years.

11.4.2 Aircraft Accident Rate

In the following table, aircraft movement statistics are presented in relation to operation types. As an important part of pilots' readiness, flying hours are often used as a measure of experience or cumulative exposure to risk. As a result of insufficient flying hours, a pilot's proficiency is reduced, and accidents are more likely to occur. It is evident from the statistics below that the number of hours flown between 2022/23 and 2023/24 increased by approximately 8%.

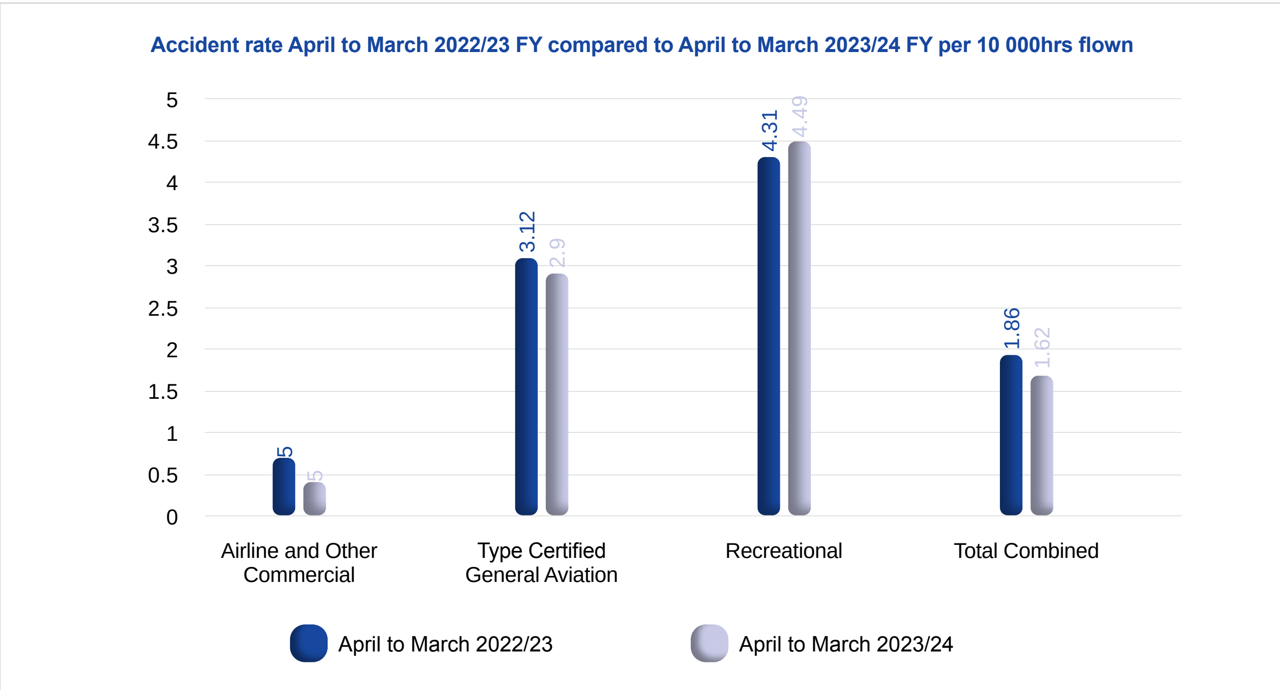
Types of aircraft and hours flown between 2022/23 and 2023/24.

Type of aircraft operations	Estimated Hrs flown for the Period April to March 2022/23 FY	Total Number of Accidents Recorded for the Period April to March 2022/23 FY	Estimated Hrs flown for the Period April to March 2023/24 FY	Total Number of Accidents Recorded for the Period April to March 2023/24 FY
Airline and Other Commercial	307 090	0	369 067	0
Type Certified General Aviation	215 440	70	212 263	64
Recreational	112 440	43	105 601	50
Total Combined HRS	**634 970**	**113**	**686 931**	**114**

Table 18: Types of aircraft and hours flown between 2022/23 and 2023/24.

The aircraft accident rate is calculated by using the actual number of accidents in the operations category and the estimated hours flown, aggregated per 10 000 flying hours. Below is a comparison between the accident rates per 10 000 hours flown for the financial years 2022/23 and 2023/24.

Accident rates between 2022/23 and 2023/24.



Graph 10: Accident rates between 2022/23 and 2023/24.

The above graph and table show a comparison of the accident rate for the period April to March 2022/23 FY and April to March 2023/24 FY, and the number of accidents recorded during this period.

As in the previous year, no accidents were recorded for the airline and other commercial operations for April to March 2023/24 FY.

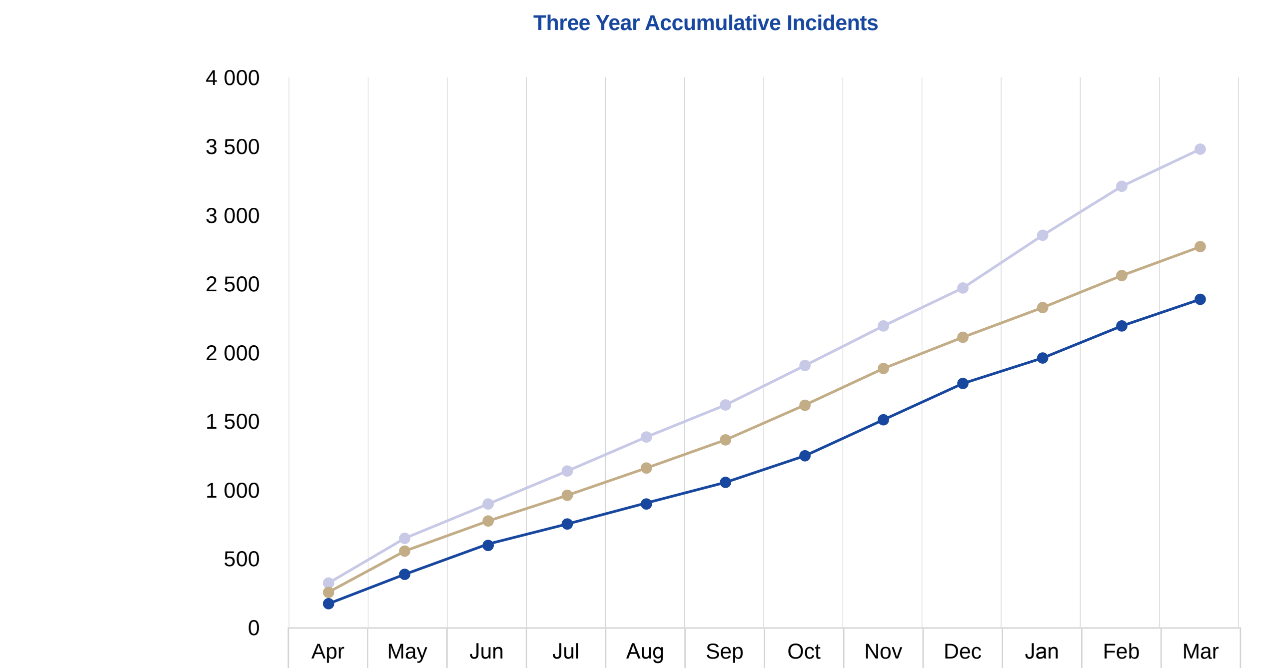
The accident rate for type-certified general aviation aircraft decreased by 7% compared to April to March 2022/23 FY.

The accident rate for recreational aviation increased by 4% compared to April to March 2022/23 FY.

The combined accident rate for April to March 2022/23 FY is 1,86 and for April to March 2023/24 FY it is 1,62. This represents a 13% decrease in the accident rate per 10 000 flying hours.

11.4.2.1 The Number of Aircraft Incidents Recorded

Number of aircraft incidents recorded between 2021/22, 2022/23 and 2023/24.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Apr 21 - Mar 22	196	360	554	711	870	1 028	1 242	1 498	1 762	1 965	2 201	2 421
Apr 22 - Mar 23	247	539	739	946	1 127	1 330	1 581	1 858	2 096	2 312	2 563	2 804
Apr 23 - Mar 24	269	601	852	1 102	1 354	1 583	1 879	2 174	2 456	2 861	3 219	3 531

Graph 11: Number of aircraft incidents recorded between 2021/22, 2022/23 and 2023/24.

The graph above compares the cumulative number of incidents recorded in the past three financial years. The cumulative number of incidents reported between 2021/22, 2022/23 and 2023/24 shows that it has increased by 26% in the current financial year compared to the previous financial year. The increase in reportable incidents demonstrates a positive safety reporting culture as it plays a vital role in preventing accidents and serious incidents.

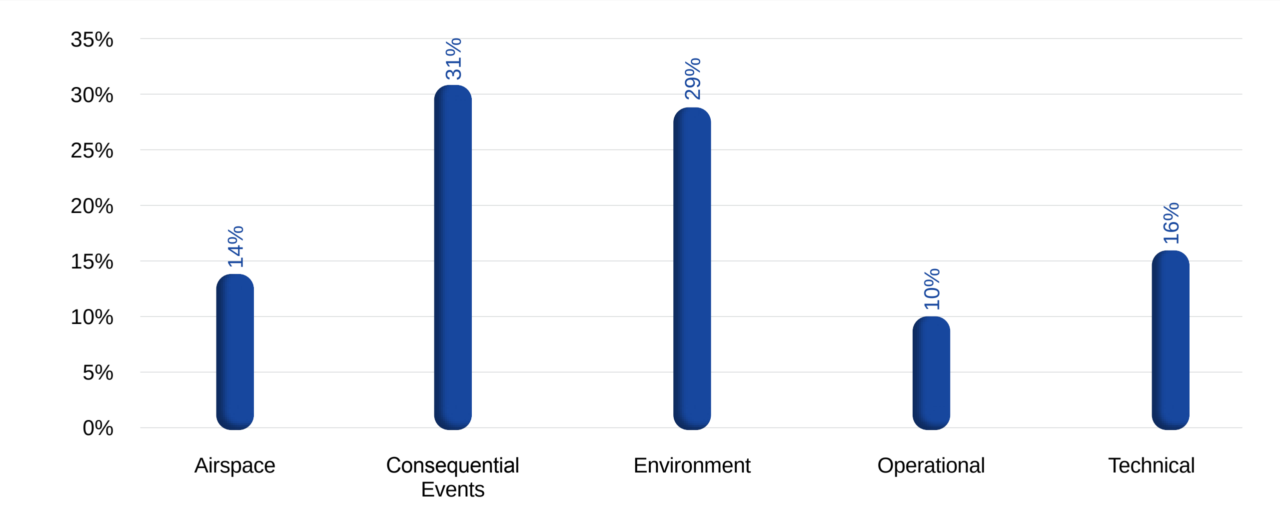
11.4.2.2 Incidents Event Types

The graph below shows an overview of the types of incidents recorded in the following areas:

- **Operational** – occurrences that relate specifically to aircraft operations that involve a human element, such as aircraft control, planning, flight preparation and communication.
- **Technical** – occurrences that relate specifically to a failed aircraft component or system, such as engine, hydraulic or pressurisation.
- **Airspace** – occurrences that relate specifically to controlled and uncontrolled air space issues, such as airspace infringements or aircraft separation.

- Infrastructure – occurrences that relate specifically to the failure or anomalies with aerodrome and ATC facilities which directly affect an aircraft operation.
- Environment – occurrences specifically related to external influences that have a direct impact on aircraft operations, such as weather, wildlife, and interference with the aircraft from the ground.
- Consequential Events – occurrences that relate specifically to an operational necessity as the result of one occurrence followed by another occurrence (Technical, Operational, etc) such as diversion, missed approach or rejected take-off.

Percentage distribution of event types associated with incidents 2023/24FY.

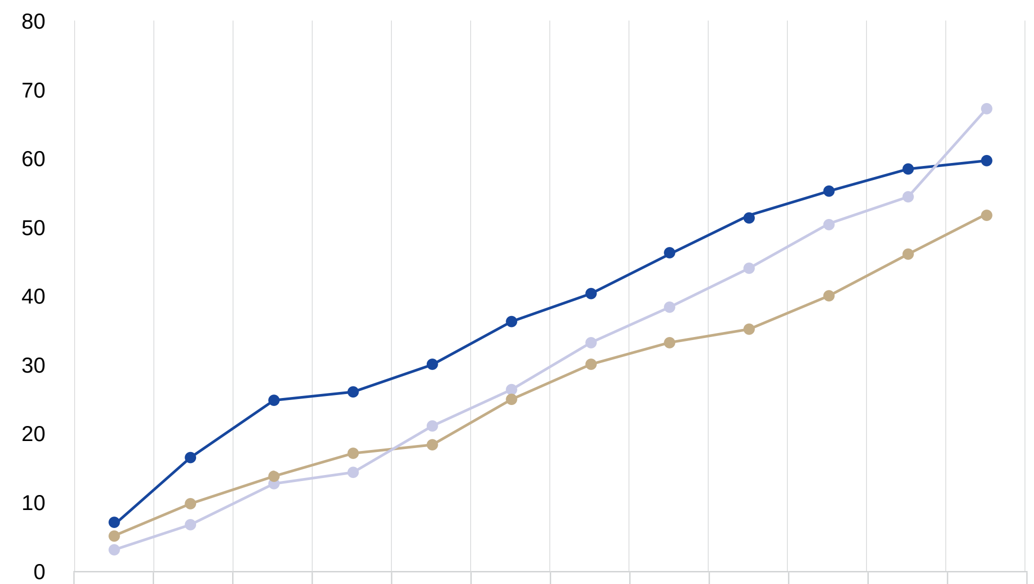


Graph 12: Percentage distribution of event types associated with incidents 2023/24FY.

11.4.3 Confidential Aviation Hazard Reporting System (CAHRS)

Number of CAHRS reports recorded between 2021/22, 2022/23 and 2023/24.

Three Year Accumulative CAHRS Statistics



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Apr 21 - Mar 22	7	17	25	26	30	36	40	46	51	55	58	59
Apr 22 - Mar 23	5	10	13	17	18	25	30	33	35	40	46	52
Apr 23 - Mar 24	3	7	13	14	21	26	33	38	44	50	54	68

Graph 13: Number of CAHRS reports recorded between 2021/22, 2022/23 and 2023/24.

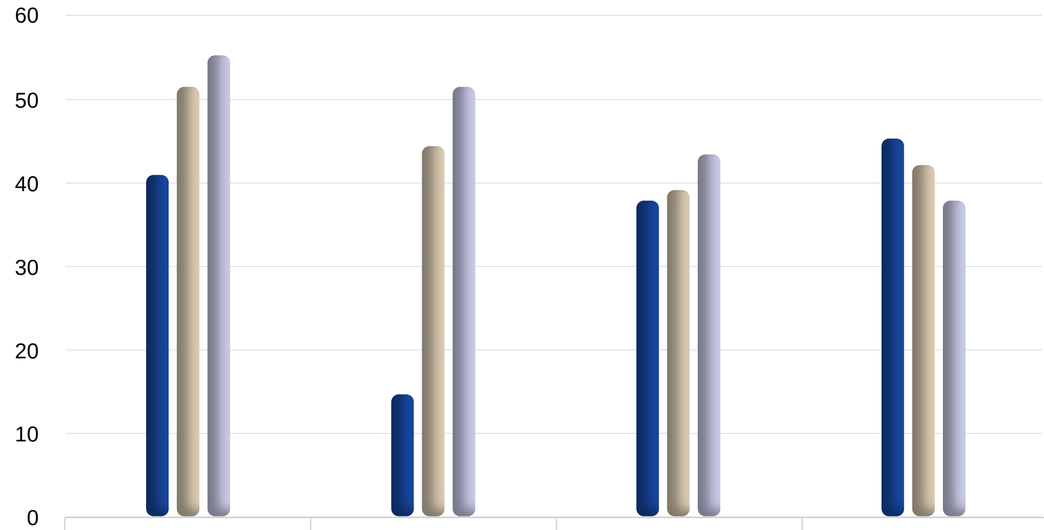
Compared to the previous financial year, there has been a 31% increase in the number of CAHRS reports that were recorded. Data in the graph above illustrates the importance of a confidential reporting system made more visible by using safety promotions. This will encourage the reporting of safety deficiencies in the industry.

The AIID meets yearly with the International Confidential Aviation Safety Systems (ICASS) group which promotes confidential reporting systems method as one avenue to improve flight safety in commercial air transport and general aviation operations. The ICASS group's main goals are as follows:

- To facilitate the exchange of safety-related information between independent confidential aviation reporting systems.
- To identify solutions to common problems in the operation of such systems.

11.4.4 Laser Statistics

Laser statistics between 2021/22, 2022/23 and 2023/24 financial years.



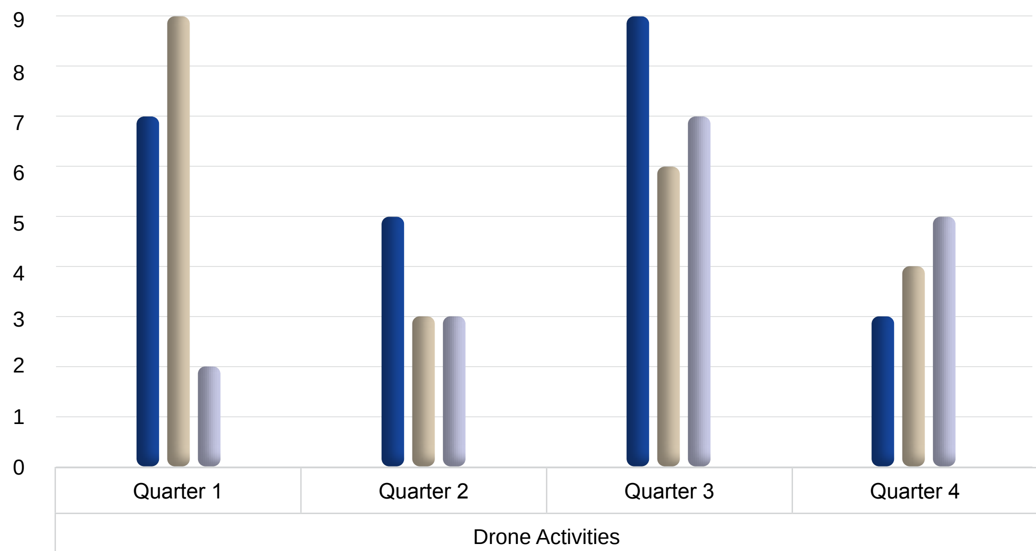
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2021/2022	41	15	38	45
2022/2023	51	44	39	42
2023/2024	55	51	43	38

Graph 14: Laser statistics between 2021/22, 2022/23 and 2023/24 financial years.

In the period under review, the SACAA recorded a total of 187 laser activities. This is in comparison to the 176 laser activity events recorded in 2022/2023, which resulted in an increase by 6%. Laser activities continue to occur at critical phases of flight such as during take-offs, final approaches, and landings. King Shaka International Airport has had the highest number of reported events at 44%, followed by Cape Town International Airport at 31%, and O.R. Tambo International Airport at 18%. Through collaboration with interested parties, these events could be lessened with the intervention of several educational campaigns. A plan to safeguard pilots against the negative impacts of laser needs to be developed to manage this risk proactively and methodically.

11.4.5 Remotely Piloted Aircraft (Drone) Statistics

Remotely piloted aircraft statistics between 2021/22, 2022/23 and 2023/24 financial years.



	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2021/2022	7	5	9	3
2022/2023	9	3	6	4
2023/2024	2	3	7	5

Graph 15: Remotely piloted aircraft statistics between 2021/22, 2022/23 and 2023/24 financial years.

In the period under review, the AIID recorded a total of 17 unauthorised drone activities. This is in comparison to the 22 RPA activity events recorded in 2022/2023 which resulted in a decrease by 22%. The Safety Information office has recorded sightings of unauthorised RPA activities on critical flight paths and near collisions with aircraft. The threat of unauthorised RPA activities is growing.

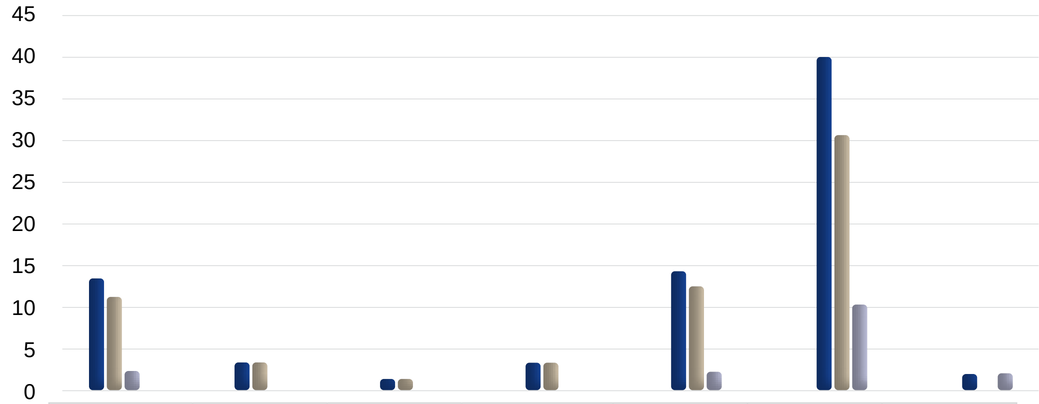
To reduce the threat in general aviation, committees such as GASS and RPAS Inter-Departmental Work Groups are developing draft frameworks for safety awareness. A safety recommendation to mitigate RPA operations is being prepared by the Safety Information office in response to the increased number of RPA operations.

11.4.6 Safety Recommendations

To prevent accidents and incidents, the AIID issues safety recommendations based on concluded investigations. Additionally, the recommendations include trends derived from the Confidential Aviation Hazard Reporting System (CAHRS) and the Centralised Safety & Security Reporting (CSSR), as well as safety studies. Regulatory improvements and oversight are well established tools to reduce accidents worldwide. Thus, the majority of safety recommendations are issued to the State of Operator, such as the SACAA. A total of 76 safety recommendations have been recorded by AIID during the current period under review (1 April 2020 to date) with 60 closed off and 16 still opem. None of the recommendations are overdue while the remainder have been accepted with the AIID is awaiting for an effective implementation before closing. Accordingly, 79% of the overall safety recommendations issued by AIID have been addressed and closed.

Safety recommendations issued per addressee in 2023/24 financial year.

Number of Safety Recommendations Recorded and Status



	ATC and Airports Infrastructure	AMO	DOT	Manufacturer	Operator	SACAA	AATOSA
Recorded	16	33	1	30	47	17	20
Closed	8	23	1	14	46	28	20
Open	7	31	4	15	42	36	16

Graph 16: Safety recommendations issued per addressee in 2023/24 financial year.

12. ORGANISATIONAL HIGHLIGHTS

No	Highlights
1.	**DCA receives International Recognition from IATA** The DCA, Ms Poppy Khoza, was awarded the 2023 Most Inspirational Role Model award at the IATA Diversity and Inclusion awards which were held alongside the body's 79th AGM and World Air Transport Summit.
2.	**New Bursaries Awarded** Twenty-two (22) new bursaries were awarded to students in this 2023/24 financial year. Four students received Aeronautical Engineering Bursaries, thirteen (13) students were awarded the pilot bursary, and five new students received the Aircraft Maintenance Engineering bursary.
3.	**Recognition Agreement** The SACAA and the National Union of Mines of South Africa (NUMSA) signed the revised the Recognition Agreement, now known as the Collective Agreement.
4.	**Appointment of New Board members** The Minister of Transport appointed two new Board members to the SACAA Board of Directors namely, Mr Tshepo Peege and Advocate Mpati Lebakeng. The term of the two new Board members started on 23 June 2023 and this brought the total Non-Executive Directors to six with only one vacancy remaining.

No	Highlights
5.	**Eleventh Clean and Unqualified Audit Outcome** The organisation recorded yet another clean and unqualified audit outcome in the 2023/24 year-end audit conducted by the AGSA. The report presented to the Board confirmed no audit findings which is a commendable feat by any organisation or company.
6.	**ICAO USOAP CMA audit Outcome** South Africa was audited by ICAO under the USOAP CMA methodology from 22 March – 3 April 2023. This audit is led by the SACAA on behalf of the State. South Africa received the final audit report, that reflects a 91.11% EI. With these final results, South Africa has been elevated to number one EI achievement in the AFI Region, comprised of 54 members states, and tied with Norway in number 19 position in the in the global ranking, out of 193 member states.
7.	**Charity Support Programme** The charity programme was officially launched on Mandela Day, 18 July 2023, with support approved for three charity organisations, namely Action for the Blind Centre; Vita Nova Centre and Tshepang Care Centre over a three-year period. These organisations received donations from the SACAA to aid their programmes which support people with disabilities, women and youth.
8.	**The SACAA Essential Service and Minimum Service Determination** The Essential Service Committee (ESC) issued a Minimum Services Determination (MSD), Out of 169 employees who are performing essential services, only 64 employees are allowed to strike, meaning 105 employees performing essential services are not allowed to strike.
9.	**National Aviation Gender Summit** The SACAA hosted the National Aviation Gender Summit under the theme “Rise to the challenge: Make Gender Equality In Aviation A Reality!”. The summit was well attended by over 360 delegates present. The summit was honoured by the presence of the former Minister of Transport, Ms Sindisiwe Chikunga, Members of the SACAA Board, captains of industry, executives and aviation professionals. The event was a great success, with positive reviews received from the delegates. The increase in Twitter impressions and Facebook reach in the reporting period is attributed to the Summit.
10.	**AGM with the Executive Authority** The organisation hosted the 18th Annual General Meeting on 28 September 2023 with the Executive Authority represented by the Minister of Transport. The SACAA was commended for its performance and asked to keep up the good work.
11.	**External Quality Assurance of Internal Audit** Internal Audit is quality assured by an external independent firm once in five to confirm its conformance to the Institute of Internal Auditors Standards. The Internal Audit underwent this exercise in the 1st Quarter of 2023/24 financial year and received the highest ranking/top rating which is - Generally Conform. This means the Internal Audit abides by the IIA standards when conducting its work.
12.	**Industry Roadshows** The organisation commenced with the roll out of the DCA Roadshows in Gauteng on 24 July 2023. This is the first in a series of country-wide roadshows planned by the organisation. The aim of the roadshows is to create an additional platform where the DCA engages with the industry in a quest to invite feedback from the industry and also to share the plans of the SACAA that affects the industry. The platform was also used to solicit buy-in on projects which require the participation of the industry from a regulatory perspective. The Gauteng roadshow was well attended and was a resounding success. Three more successful instalments of the DCA Roadshows were hosted in Durban, KwaZulu-Natal; the second was held virtually to cover the industry stakeholders in Mpumalanga, Limpopo, Northern Cape and the North West province and the last one was hosted in Cape Town Western Cape on 26 February 2024.
13.	**DCA Re-appointment** The Director of Civil Aviation, Ms Poppy Khoza, was re-appointed to serve another five-year term. This appointment was approved by the South African Government on 20 November 2023. This represented government’s continued commitment towards a robust and efficient civil aviation.
14.	**Namibia Civil Aviation Authority visit.** The organisation hosted the Namibian Civil Aviation Authority Board, Director General and Executive management to discuss areas of cooperation between the two Authorities. The high-level delegation meeting was concluded with the signing of a Memorandum of Agreement.

No	Highlights
15.	**October Transport Month** In support of the month-long celebration the SACAA hosted an Aviation Career Expo and Drone Display in partnership with the Mpumalanga Department of Public Works, Roads and Transport, the Department of Education, and the Emalahleni Local Municipality. The focus was to educate disadvantaged learners about careers in aviation. The SACAA Career Expo and Drone Display presented a platform for an interactive, information-sharing, providing an opportunity to learn about the various careers in aviation and to interact with various aviation professionals. The primary focus was on Science, Technology, Engineering, Mathematics & Innovation (STEMI) careers. The event attracted over 800 learners, 30 exhibitors, teachers, representatives of different aviation entities and dignitaries. The team also conducted a build-up campaign for those who could not attend on the date; the extensive building campaign was done in three Municipalities: J S Moroka, Emakhazeni and Victor Khanye at Nkangala District and reached over 3 600 learners.
16.	**Civil Aviation Industry Awards (CAIA)** The CAIAs were successfully hosted on 10 November 2023 to acknowledge, celebrate, and recognise individuals and organisations for their outstanding contributions to the aviation industry in the critical areas of aviation safety, security, transformation, and innovation. The event was officiated by the former Minister of Transport, Ms Sindisiwe Chikunga, who expressed the importance of these awards to ensure that the industry continues to uphold great service record.
17.	**Employee Excellence Awards** The organisation hosted the Employee Excellence Awards in December 2023. The event was well attended with over 400 people in attendance. These awards were established to drive a culture of exceptional performance and to acknowledge and celebrate extraordinary efforts made by the SACAA Employees towards fulfilling the vision, mission and mandate of the SACAA.
18.	**Performance Information** All targets set out in the Annual Performance Plan were achieved successfully resulting in a 100% achievement for the ninth (9) time in the past ten (10) years.
19.	**Air Services Licensing Council and International Air Services Licensing Councils** The SACAA, both Councils and the Department of Transport entered into a Memorandum of Understanding (MoU), with the necessary logistical measures for license applications which is in place from 1 February 2024. The organisation rolled out communication to industry, through the SACAA social networks and website to ensure a smooth transition and alignment with the sector on these new developments. The SACAA also launched an automated FOP application system that enables clients to submit their applications and pay online.
20.	**Safety Culture Launch** The SACAA launched its inaugural Aviation Safety Culture maturity assessment survey with selected members of the industry. The objective was to establish the levels of Aviation Safety Culture and to provide recommendations on initiatives and activities to inculcate a positive safety culture across the industry. This culminated in the adoption of six safety culture values, namely Commitment to Safety, Trust, Adaptability, Behaviour with respect to safety, Awareness and Information.
21.	**General Aviation Accident Reduction Seminar (GAARS)** The organisation hosted two successful GAARS seminars that took place in Midrand (Gauteng) and Gqeberha (Eastern Cape) in September 2023 and March 2024, respectively. The seminars offered a platform where learner pilots exchanged views with senior pilots and also gave them an opportunity to share their experiences in a quest to promote safety. This was the second installment on this initiative from the regulator that forms part of the SACAA's coordinated initiatives to promote an all-round better safety culture among all aviation participants, especially pilots under the theme of "the life saved might be yours."

Table 19: 2023/24 Highlights

13. REVENUE COLLECTION

13.1 Revenue Overview

13.1.1 Overview of the SACAA's Financial Standing

The SACAA's financial position improved significantly during the financial year. The main revenue stream of the SACAA remains the passenger safety charge, driven by passenger numbers. Passenger numbers continued to recover during the reporting period as the impact of COVID-19 receded, although the numbers remained 13.1% below pre-COVID levels. The SACAA also received continued financial support from the Department of Transport to assist the entity to continue with the uninterrupted delivery of its mandate. Most cost-containment measures directed at discretionary expenditure items were maintained during the year, and only critical vacant positions were filled, resulting in significant savings against the budget. Renegotiation of leases and other contracts also contributed significantly to the savings.

The SACAA reported a net operating surplus of R50 million for the year ended 31 March 2024, compared to a budgeted surplus of R11.8 million. The positive variance of R38.2 million is the net result of the following:

- R13.3 million positive variances in revenue
- R17.6 million positive variance in personnel costs
- R7.3 million positive variance in other operating costs.

The variances reported above are the result of the revised Estimates of National Expenditure (ENE) budget for the 2023/24 financial year, as approved by the SACAA Board's Audit and Risk Committee and submitted to National Treasury (NT) during the ENE process in December 2023.

The revised ENE budget reflected the expectation of a surplus of R11.8 million for the 2023/24 financial year after financial support of R85.8 million (2023: R187.9 million) was received from the Department of Transport (DoT). The DoT committed to additional baseline support of R271.4 million over the next three-year Medium-Term Expenditure Framework (MTEF) period.

13.1.2 Passenger Numbers and the SACAA's Passenger Safety Charge

The SACAA is a self-funded public entity that relies on a combination of revenue streams to fulfil its mandate and run its business operations.

The revenue streams consist mainly of the Passenger Safety Charge (PSC), user fees, the fuel levy, and funding from the Department of Transport for investigating aircraft accidents and incidents.

Additional financial support of R85.8 million (2023: R187.9 million) was received from the Department of Transport for the 2023/24 financial year due to the financial impact of the SACAA's lower passenger numbers caused by the pandemic.

The total passenger numbers for the 2023/24 period amounted to 19 362 641, compared to the estimated budget of 19 450 176. This is 0.5% lower than budgeted, but 17% higher than the same period last year. Although passenger numbers increased as the impact of COVID-19 receded, the numbers are still 13.1% lower than pre-COVID (2019) pre-pandemic levels. A total of R562.5 million was generated by passenger safety charges against a budget of R559.4 million, due to fee increases.

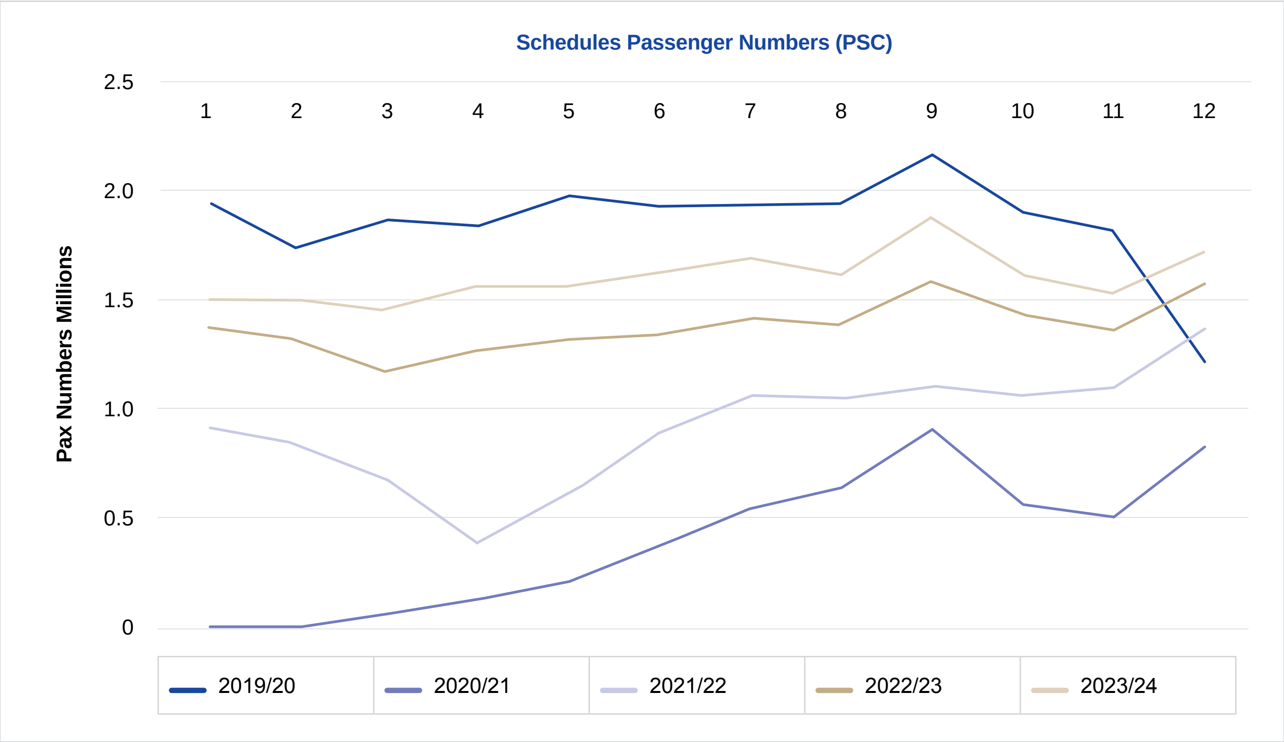
PSC increased by 6.5% from R27.54 per departing passenger to R29.33. User fees also increased by an average of 5%. Both increases were effective from 1 June 2023. The aviation fuel levy increased by 8.5% from R0.192 per liter to R0.2083 per liter effective 1 May 2023. These were the first fee increases since November 2021.

In the period under review, the PSC accounted for 60.8% of the total revenue, user fees for 16.3%, the fuel levy for 4.2%, the DoT for 13.6% and other income for 5.1%. Under normal circumstances, the passenger safety charge contributes around 76% of the total revenue. As the PSC is the biggest contributor to revenue, the number of passenger have a major impact on the financial performance of the SACAA, and these numbers are closely monitored every month.

The SACAA's revenue officials conduct regular PSC audits to ensure airline compliance and to ensure that the Regulator is able to fulfil its mandate. The regulations require that all airports submit monthly passenger numbers to the SACAA, which are then compared with the declarations received from the airlines. Substantial, unexplained variances in numbers supplied by the airports and those from airlines are examined during the audit process. The SACAA invoices the PSC one month in arrears to allow information received from airlines to be processed; thus, the actual passenger numbers reflected in the graph are also a month in arrears. A monthly provision is made for the arrears.

Graph 17 analyses passenger numbers for the last five years, comparing passenger numbers over the years. The impact of the COVID-19 pandemic is clearly visible from March 2020.

Passenger Numbers Over the Past Five Years



Graph 17: Passenger Numbers Over the Past Five Years

13.1.3 The SACAA Revenue Collection

Table 20 illustrates that the total revenue of R925.9 million for the financial year under review increased by 4.6% compared to R885.6 million in 2022/23. It is 1.5% higher than the budgeted revenue collection of R912.6 million for the financial year under review, largely due to higher-than-expected passenger numbers during the financial year. PSC increased by R106.7 million or 23.4% from the previous financial year due to higher passenger numbers and the fee increases in June 2023, and user fees increased by R13.2 million or 9,6%. The fuel levy increased by R5.2 million or 15.6% due to an increase in charter and cargo activity as well as the fee increases in May 2023. Other income in the prior financial year included a once-off revenue of R4.2 million related to ticket sales and sponsorship income from the International Flight Inspection Symposium (IFIS) hosted in Durban in June 2022.

Financial support from the DoT decreased from R187.9 million in the previous financial year to R85.8 million in the year under review. Interest revenue generated by reserve funds increased by R18.3 million from the last financial year and was R1.1 million better than the budget, as interest rates remained high and cash reserve levels recovered.

The SACAA Revenue Collection Breakdown

Revenue collection	2023/24				2022/23			
Source of Revenue	Budget	Actual	Variance	Var	Budget	Actual	Variance	Var
	R' million	R' million	R' million	%	R' million	R' million	R' million	%
Passenger Safety Charge	559 4	562 5	3 1	0.6%	440 6	455 8	15 2	3.4%
User fees	150 0	150 8	0 8	0.5%	136 3	137 6	1 3	1.0%
Fuel levy	32 5	38 5	6 0	18.5%	31 1	33 3	2 2	7.1%
Department of Transport	126 3	126 3	-	-	226 0	227 0	1 0	0.4%
Interest received	41 2	42 3	1 1	2.7%	20 2	24 0	3 8	18.8%
Other income	3 2	5 5	2 3	71.9%	9 6	7 9	(1 7)	(17.7%)
Total	**912 6**	**925 9**	**13 3**	**1.5%**	**863 8**	**885.6**	**21.8**	**2.5%**

Table 20: The SACAA Revenue Collection Breakdown

PART C
GOVERNANCE

14. INTRODUCTION

Sound corporate governance remains fundamental to the Board's success and sustainability and has ensured the delivery of the core mandate as enunciated in the Civil Aviation Act, the approved Strategy and Annual Performance Plan in the 2023/24 financial year.

The SACAA's corporate governance framework remains firmly anchored on the principles of the King IV Report on Corporate Governance™ (King IV Report™) as adopted by the Board. The Board's approach to governance and the mechanisms it has in place culminated in effective oversight and decision-making. By adhering to the principles set forth in the King IV Report™, the Board continues to create value, not only for the Shareholder but all its stakeholders.

In the sections below, this report will outline the governance structure, key governance practices and initiatives undertaken during the reporting period. It will also demonstrate the Board's commitment to continuous improvement in sustaining good governance at the SACAA as it chartered the governance landscape during the year.

The Board recognises that a strong corporate governance culture is essential for building trust, a reputable brand, enhancing long-term performance and the delivery of the core mandate. As the Board navigated the complexities of the aviation landscape during the year, it has remained dedicated to maintain the highest standards of corporate governance and to foster a culture of integrity, accountability, and transparency.

With this in mind, it is further reported that the Board possesses a comprehensive understanding of its core mandate, strategic objectives, and the intricate web of risks and opportunities inherent to the entity's business. These elements are intricately woven into the stakeholder value chain, reflecting the Board's holistic approach to governance and its recognition of the broader impact of its decisions on all stakeholders.

14.1 Parliament's Portfolio Committee on Transport

The National Assembly appoints members to the Portfolio Committee of Transport.

The role of Portfolio Committee is to:

- Consider Bills,
- Deal with departmental budget votes,
- Oversee the work of the department it is responsible for, and enquire and make recommendations about any aspect of the Department, including its structure, functioning and policy and the entities reporting to the Department.

The work of Committees is not restricted to the government. They may investigate any matter of public interest that falls within their area of responsibility.

The Board duly acknowledges that it received continued support, leadership, constructive feedback and guidance from the Portfolio Committee on Transport, based on its oversight mandate. The following engagements were held with the Committee in the period under review:

- 11 October 2023 – Presentation of the SACAA Annual Report 2022/23.

The above report was well received, clarity was sought on various aspects of the report and positive feedback was provided by the Committee.

14.2 Executive Authority

As prescribed in the PFMA and outlined in the Board Performance Agreement, the Minister of Transport is the Executive Authority.

In terms of the above legal prescripts read together with the CA Act, the Board (Accounting Authority) is required to provide quarterly reports on the overall performance of the SACAA to the Executive Authority. The Board confirms that in compliance with the aforementioned legislative prescripts, it has consistently reported to the Executive Authority quarterly. All four quarterly reports were submitted to the Executive Authority within the time periods stipulated in the Board Performance Agreement.

At the end of the reporting period, the Board confirms that the entity has accomplished 100% of its annual targets, demonstrating the unwavering application of the King IV™ principles within a volatile economic landscape. This achievement underscores the board's resolute commitment to excellence and governance integrity. The Board comprehends that the SACAA core mandate, strategy, performance, risks, and opportunities are inextricably linked and crucial to provide stakeholder value.

The Board conducts an open, robust and transparent engagement with the Executive Authority and regularly informs the Executive Authority of progress on its mandate, audits, key projects and the strategy, milestones and challenges facing the SACAA. This is done through written correspondence, presentations and interfaces with the Minister and Deputy Minister of Transport throughout the year.

14.3 The Accounting Authority / Board

The SACAA Board remains the focal point of good governance and provides strategic direction to the entity and constantly strives to achieve all obligations as stated in the annual performance plan and contracted in the Board Performance Agreement.

The Accounting Authority presented its 2022/23 annual report to the shareholder at the Annual General Meeting (AGM) on 25 September 2023. The report was well received by the Executive Authority, represented by the Minister of Transport. The favourable feedback received from the shareholder was progressive and encouraging.

During the reporting period, the Board engaged in the following activities:

- Evaluated the five-year Strategic Plan.
- Approved the Annual Performance Plan (APP) for 2023/2024.
- Reviewed and submitted the Mid-Term Progress Report to the Executive Authority and the Department of Performance Monitoring and Evaluation.
- Completed the Strategic Risk Register for the 2024/25 period.
- Monitored the organisations performance in relation to the targets set in the Annual Performance Plan for 2023/24.
- Approved several key strategies and frameworks, including:
  - Human Resources Operational Plan
  - Risk Management Plan
  - Combined Assurance Plan
  - Ethics Implementation Plan
  - Ethics Framework
  - ICT Plan
  - Client Services Plan
  - Transformation Plan
  - Cyber Security Strategy
  - The Research Strategy
- Enhanced stakeholder value through effective oversight of the implementation of the approved Stakeholder Management Strategy.
- Monitored progress on major projects such as the Enterprise Business System, Electronic Document & Records Management System, and the relocation of the SACAA Head Office.
- Successfully conducted its Annual General Meeting virtually on 25 September 2023, with all resolutions being endorsed by the Executive Authority.
- Submitted its Performance Agreement 2024/25 to the Minister of Transport, which was signed in March 2024.
- Reviewed the Board Charter and all Committee Terms of Reference over the year.
- Conducted reviews of various policies, frameworks, and strategies, including the Delegation of Authority.
- Embarked on the Board evaluation process.

The Board has embraced a stakeholder-inclusive governance model, ensuring that the interests of all stakeholders are integrated into the development and execution of the SACAA Strategy, including the Annual Performance Plan deliverables. This approach has been key in maintaining and enhancing the SACAA's reputation by building and preserving stakeholder trust.

A Board must recognise its strengths and limitations to govern effectively and responsibly. Accordingly, the Board evaluation process commenced in June 2023 as mandated by the Board Charter and as detailed in the King IV Report ™. Board evaluations are critical governance tools that serves multiple important functions within an organisation. They are essential to ensure that a board is effective in its oversight responsibilities, and contributes significantly to the continuous improvement of board performance. The Board evaluation was carried out independently, focusing on board processes, director skills, competencies, and board dynamics.

The results were positive, offering constructive feedback to Board members on their roles and responsibilities and providing an opportunity for reflection on commitments to the Shareholder, the entity, and best governance practices. The report highlights that the Board continues to function effectively on operational, administrative, and strategic levels.

15. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board maintains comprehensive and effective control over the governance of the SACAA, ensuring a clear separation of responsibilities between the Board and the Executive level, in alignment with the PFMA. This Act requires stringent accountability and transparency in delegating authority within public entities, emphasising that while delegating operational tasks can enhance efficiency, it does not absolve the Board of its ultimate responsibilities.

In accordance with these prescripts, the Board has delegated certain powers to the Director of Civil Aviation and the Executive Committee through a Delegation of Authority (DoA) framework, which was rigorously reviewed and approved by the Board. This framework incorporates PFMA guidelines, ensuring that all delegated activities are conducted within a structured and legally compliant manner. This approach aligns with current governance trends from 2023 and 2024, which advocate for digital integration to improve governance processes while reinforcing accountability and oversight functions to uphold public trust and organisational integrity.

The role of the Board is outlined in the Civil Aviation Act, and the PFMA and the Board Performance Agreement includes, among others, to:

- Provide effective ethical leadership.
- Develop and monitor the implementation of the SACAA Strategy and Annual Performance Plan.
- Responsibility for all income, expenditure, revenue collected and assets as well as the discharge of liabilities.
- Determine, oversee, and revise the corporate governance structures within the SACAA.
- Determine, oversee, and revise the human resources policies and human resources strategies of the SACAA.
- Ensure that the SACAA is managed effectively in pursuance of its mission, by providing oversight over the entity's strategies, policies, decisions, and the execution thereof.
- Appreciate that the SACAA's strategy, risk, performance, and sustainability are inseparable.
- Review and approve the SACAA's financial objectives, plans and actions, including cost allocations and expenditures.
- Ensure that the entity has an effective and independent Audit and Risk Committee.

- Ensure that there is an effective, risk-based internal audit function, as well as effective governance of risk management and the information technology infrastructure.
- Ensure that the SACAA complies with all the applicable laws, and consider adherence to non-binding rules, codes, policies, and standards.
- In line with section 76 (c) of the Civil Aviation Act, the Board monitors service standards and customer satisfaction levels and reports to the Minister on any matter concerning such issues.

The above-mentioned roles are not exhaustive but provide a high-level summary of the roles and responsibilities of the Board as stipulated in the legislative and other prescripts.

16. THE BOARD CHARTER

The Board has adopted a formal Charter that is informed by the Constitution of the Republic of South Africa, the Civil Aviation Act, the PFMA and the King IV Report™, among others. Through the Board Charter, the Board is able to ensure sound decision-making, the fulfilment of its responsibilities and a proper exercise of its fiduciary duties.

The Charter defines the purpose of the Board and its key objectives, board composition, respective roles, responsibilities, conflict of interest, communication, and the authority of the Board, both individually and collectively. It reflects the value system in terms of which the Board operates and holds members accountable.

The Board Charter is reviewed and approved annually to ensure relevance and alignment with best practices. The Board confirms that, in the period under review, it has satisfactorily discharged all its duties and obligations as contained in the Board Charter, in terms of good governance including ethics, performance, risk management, compliance, financial sustainability and human capital.

17. KING IV ™ GOVERNANCE OVERVIEW

The successful implementation of the King IV™ principles stands as a testament to the organisation's commitment to transparent governance and ethical conduct. Through meticulous adherence to these principles, this report showcases the Board's approach that not only ensures compliance with regulatory requirements but also fosters a culture of accountability and responsibility across all levels of the organisation. From robust risk management strategies to equitable stakeholder engagement practices, the section below reflects the meticulous integration of King IV™ principles into the SACAA's operations. Moreover, it provides evidence of the tangible benefits derived from this implementation, including enhanced decision-making processes, strengthened oversight, and sustainable value creation for all stakeholders involved.

1. Ethical Leadership

Principle: The governing body should lead ethically and effectively.

Application: The Board maintains a Board Charter that sets the ethical tone at the top and confirms the Board's responsibility to manage the SACAA ethically and effectively. The conduct of the Board, its committees, individual directors, and the Company Secretary is evaluated biennially to ensure they display the necessary governance characteristics. Management is tasked with making strategically sound decisions adhering to relevant legislation and ethical guidelines to uphold good corporate governance.

Governance Instrument: Board Charter, Board Performance Agreement, Board Induction process, Ethics and other policies, Delegation of Authority and the Ethics Implementation Plan.

2. Organisational Ethics

Principle: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Application: The Board champions the creation and maintenance of an ethical corporate culture, ensuring compliance with set ethical standards across all business facets. Ethical expectations are communicated to all employees, with serious consequences for breaches. The Board has implemented various ethics governance tools and through management, have fully executed the Ethics Implementation Plan.

Governance Instrument: Board Charter, Ethics Policy, Whistleblowing Policy, Established Ethics Function, Fraud reporting hotline.

3. Responsible Corporate Citizenship

Principle: The governing body should ensure that an organisation is seen to be in a responsible corporate citizenship.

Application: The SACAA is recognised as a responsible corporate citizen, supported by policies ensuring responsible practices. The Board adopts a stakeholder-inclusive approach and receives regular updates on corporate social responsibility and stakeholder management from Management.

Governance Instrument: Board Charter, Ethics Policy, Fraud Policy, Conflict of Interest Policy, Compliance Management Policy, Socio-economic and Stakeholder Management Plans.

4. Strategy and Performance

Principle: The governing body should appreciate that the organisation's core purpose, its risk and opportunities, its business model, performance and sustainable development responsibilities, are all inseparable elements of the value creation process.

Application: The Board continuously monitors progress against the SACAA's strategic plan, ensuring management adheres to the strategic and operational plans through performance measures and targets. Performance updates are regularly reviewed and approved by the Board and submitted to the Executive Authority.

Governance Instrument: Board Charter, Board Performance Agreement, the SACAA Strategic and Annual Performance Plans, Corporate Governance and Risk Management Policies.

5. Reporting

Principle: The governing body should ensure comprehensive and informative reporting enabling its stakeholder to make informed decisions.

Application: The Board ensures that the SACAA's annual report provides a transparent, complete depiction of its operations, financial and strategic performance, and governance practices, enhancing stakeholder understanding and trust.

Governance Instrument: Board Charter, Risk Management and Combined Assurance Committees, DCA Quarterly Reports and Annual Reports.

6. Role and Responsibilities of the Governing Body

Principle: The governing body should be the focal point and custodian of corporate governance.

Application: The Board regularly convenes to uphold its duties as outlined in the Board Charter, and remains central to effective governance. The roles and duties within the Board are well-defined and communicated.

Governance Instrument: Board Charter, Board Performance Agreement, Delegation of Authority, Compliance Management Policy, Strategic Plan and Annual Report.

7. Composition of the Governing Body

Principle: The governing body should have a balanced composition and remains independent.

Application: The Board majority consists of non-executive, independent directors. Board and committee compositions are reviewed biennially to ensure members meet the necessary criteria of skills, diversity, and independence as mandated by the Civil Aviation Act. The Board's competency and experience are affirmed by appointments made by the Executive Authority.

Governance Instrument: Board Charter, Declaration of Interest, Board, Board Evaluation, Board Training Plan.

8. Committees of the Governing Body

Principle: The governing body should use committees to balance power and the effective discharge of its duties.

Application: The Board established three committees: Audit and Risk, Human Resources, and Safety, Security, and Environmental Committees to aid in discharging governance responsibilities. The committee's terms of reference are annually reviewed and are constituted with relevant expertise to align with the SACAA's objectives.

Governance Instrument: Board Charter, Terms of Reference for Board Committees, Annual Work Plans.

9. Evaluation of the Governing Body

Principle: The governing body should regularly evaluate its performance.

Application: The effectiveness of the Board, its committees, and individual members, including the Chairman, is assessed biennially to ensure continuous improvement in performance and effectiveness. Contributions of directors are reviewed to confirm their ongoing ability to fulfil their roles effectively and without conflicts of interest.

Governance Instrument: Board Charter.

10. Appointment and Delegation to Management

Principle: Clear roles and delegated authority should be established for management to ensure role clarity.

Application: The Board delegates day-to-day management responsibilities to the Director of Civil Aviation within a structured delegation framework, reviewed annually for relevance, ensuring clear role definition and effective exercise of authority.

Governance Instrument: Board Charter, ARC Terms of Reference, Delegation of Authority, various policies approved by the Board, Budget frameworks.

12. Technology and Information Governance

Principle: The governing body should govern technology and information in a way that supports the organisation to set and achieve its strategic objectives.

Application: The Board delegates its oversight role on ICT governance to the Audit and Risk Committee. An IT Steering Committee exists at the Executive Committee level, which regularly reports on technology and information communications. The ARC oversees an approved ICT plan and monitors its implementation quarterly, ensuring that technological advancements align with strategic objectives.

Governance Instrument: Board Charter, Enterprise Risk Management Framework and Policy, ICT Policy, Ethics Policy, Compliance Management Policy, ICT Strategy, Cybersecurity Strategy.

13. Compliance Governance

Principle: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes, and standards in a way that supports the organisation being ethical and a good corporate citizen.

Application: The Board is accountable for ensuring the SACAA's adherence to applicable laws, rules, codes, and standards. Compliance is monitored by the Audit and Risk Committee quarterly. This is facilitated through the development and monitoring of the Regulatory Compliance Universe, which categorises all applicable legislation by significance. The Board oversees the implementation of the Legal Compliance Management Plan, which achieved 100% of its goals.

Governance Instrument: Board Charter, Legal Compliance Management Policy, Legal Compliance Framework, Regulatory Compliance Universe.

14. Remuneration Governance

Principle: The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term.

Application: The SACAA's remuneration strategy is designed to attract, retain, and motivate key talent by aligning rewards with organisational objectives and shareholder interests. The remuneration policy promotes fair, responsible, and transparent compensation practices that support sustainable value creation.

Governance Instrument: Board Charter, HRC terms of reference, Delegation of Authority, Remuneration Policy, Retention Policy, Performance Management Policy.

15. Assurance

Principle: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

Application: The Internal Audit, Risk Committee, and the Combined Assurance Committee conduct annual reviews of the SACAA's internal controls and report their findings to the Audit and Risk Committee. This review covers financial, operational, and compliance controls, and risk management policies and procedures. Internal Audit reports on all findings, and the closure of findings is monitored quarterly.

Governance Instrument: Board Charter, Combined Assurance Framework, Terms of Reference, Enterprise Risk Management Framework and Policy.

16. Stakeholders

Principle: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.

Application: Effective stakeholder relationships are crucial for maintaining safety and security in the skies and supporting the SACAA's growth. The Board has approved strategies, plans, and policies for stakeholder management. Engagements with stakeholders are aligned with strategic initiatives identified, and the Board considers the legitimate interests and expectations of its stakeholders in its decision-making processes.

Governance Instrument: Board Charter, Stakeholder Management Policy, Stakeholder Management Strategy, Stakeholder Management Plan.

17. Responsibility of Institutional Shareholders

Principle: The governing body of an institutional investor organisation should ensure responsible investment.

Application: The Board is the custodian of corporate governance across the SACAA. The delegation of authority framework is approved by the Board and reviewed annually. The approved framework and authority levels are implemented throughout the SACAA. Policies are developed and implemented at the operational level of the SACAA. The entity also adheres to the PFMA and National Treasury regulations and guidelines in terms of investments. An Investment Policy, aligned to these prescripts, is in place.

Governance Instrument: Investment Policy

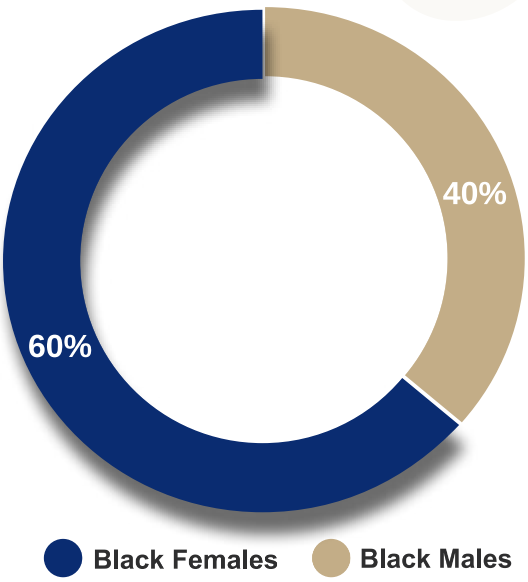
18. BOARD COMPOSITION

At the end of the reporting period, the Board comprised seven members, four of whom were appointed by the Executive Authority with effect from 1 June 2022 for a second term. On 23 June 2023, the Minister of Transport filled two of the three vacancies on the Board. One vacancy remains which is yet to be filled by the Executive Authority.

Members of the Board as at 31 March 2024

- Mr E Khosa (Chairperson of the Board)
- Ms B Koyana (Non-executive)
- Mr S Sooklal (Non-executive)
- Mr T Peege (Non-executive)
- Advocate M Lebakeng (Non-executive)
- Ms T Phewa (Non-executive)
- Ms P Khoza – Director of Civil Aviation (Executive)

Board Composition as at 31 March 2024



Graph 18: Board Composition

The Board remains fully transformed and is notably comprised of 60% females and 40% males. All Non-Executive Directors are independent and free of any conflict of interest with the exception of the NED appointed from the Department of Transport. The Minister is in the process of filling the remaining vacancy on the Board, and a shortlist was gazetted in Quarter 3 of the financial year.

The Director of Civil Aviation, Ms Poppy Khoza, is the only Executive Director and is appointed on a five-year contract and whose contract was renewed by the Minister of Transport for a further five-year term, effective from 1 December 2023.

The responsibilities of the Chairperson of the Board and the Director of Civil Aviation are distinct and thoroughly outlined in both the Civil Aviation Act and the Board Charter. Mr Ernest Khosa has been reappointed for a second term as an independent, non-executive Chairperson by the Minister of Transport, ensuring his continued impartiality and freedom from conflicts of interest. In terms of their specific roles, the Chairperson leads the Board, ensuring effective governance and strategic direction, while the Director of Civil Aviation focuses on regulatory compliance, safety and security oversight, and the daily operational management of the entity. This separation of duties supports clear and focused leadership and governance.

The Board, adhering strictly to its governance responsibilities, diligently monitored the strategic goals set by the Executive Authority.

Throughout the year in question, the Board convened a total of nine meetings, reflecting its active engagement and oversight in achieving these objectives.

A diverse array of skills enhances decision-making and deepens discussions at Board and Committee meetings. Recent trends emphasise the importance of such diversity, including a blend of traditional expertise and new competencies like digital literacy and sustainability, which are increasingly vital for contemporary governance.

The Board is confident that it possesses a well-rounded mix of knowledge, skills, experience, diversity, and independence essential for fulfilling its fiduciary duties and ensuring strong governance and leadership. It is noted that once the existing vacancy is filled it is expected to further strengthen the Board's composition.

18.1 The SACAA Board Of Directors Qualifications

MR ERNEST KHOSA
Chairperson of the Board

QUALIFICATIONS

MPHIL Law, LLB, Higher Diploma: Company Law, Master of Science (International Development), Master of Arts (Development), B.A. Honours, B.A. Humanities.

DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE):

Non-Executive Director (NED), Chairperson of the Board.

DATE APPOINTED

Appointed 1/12/2018,
Re-appointed 1/06/2022.

OTHER DIRECTORSHIPS (LIST THE ENTITIES):

NGO Connect, NPO, Shipoyila Khosa Associates

AREA OF EXPERTISE:

Development Finance, Realignment of organisations, Governance, Compliance Management, Organisational Development.

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MS BULELWA KOYANA
Board Member

QUALIFICATIONS

Honours Bachelor of Arts in Social Science (Psychology), Transnet MD's Executive Women Development Programme (EDP), Airline Management (Postgraduate Certificate), Bachelor of Social Sciences.

DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE):

Non-Executive Director (NED), Lead Independent and Chairperson of the Human Resources Committee (HRC).

DATE APPOINTED

Appointed 1/12/2018,
Re-appointed 1/06/2022.

SACAA BOARD COMMITTEE MEMBERSHIPS:

Human Resources Committee (HRC) & Safety, Security and Environment Committee (SSEC).

OTHER DIRECTORSHIPS (LIST THE ENTITIES):

South African National Parks (SANParks) and Siyakha Advisory Services

AREA OF EXPERTISE:

Aviation, Tourism, Business Process Outsourcing, Human Resources, Stakeholder Management, Communication, Customer Service, Coaching and Leadership Development.

MR SUREN SOOKLAL
Board Member

QUALIFICATIONS

Post-Graduate Diploma: Taxation, Public Accountants' and Auditors' Examinations, Chartered Accountant (SA), Diploma: Accounting and Auditing, Bachelor of Commerce.

DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE):

Non-Executive Director (NED), Chairperson of Audit and Risk Committee (ARC).

DATE APPOINTED

Appointed 1/12/ 2018,
Re-appointed 1/06/ 2022.

SACAA BOARD COMMITTEE MEMBERSHIPS:

Audit and Risk Commitee (ARC) & Human Resources Committee (HRC).

OTHER DIRECTORSHIPS (LIST THE ENTITIES):

Spacetel Guinea Bissau, Lonestar Communications Corp. Liberia, Econet Wireless (Pty) Ltd, Mascom Wireless Botswana Limited, Lunar Capital (Pty) Ltd, Member of the Disciplinary Committee: Independent Regulatory Board of Auditors.

AREA OF EXPERTISE:

Finance, Tax, Risk Management, Corporate Governance, Due Diligence Reviews, Assurance (Internal and External), Mergers and Acquisitions, Listing and Delisting of companies on the JSE, Regulatory.

MS TSHITSHI PHEWA
Board Member

QUALIFICATIONS

Diploma in Airport Management, Managing Integrated Development Service Delivery, M.A. in Rural Development, Honours: B. Social Science majored in Sociology, B. Social Science majored in Sociology and Political Science.

DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE):

Non-Executive Director (NED), Shareholder Representative.

DATE APPOINTED

Appointed 1/12/ 2018,
Re-appointed 1/06/ 2022.

SACAA BOARD COMMITTEE MEMBERSHIPS:

Safety, Security and Environment Committee (SSEC) & Human Resources Committee (HRC).

OTHER DIRECTORSHIPS (LIST THE ENTITIES):

None

AREA OF EXPERTISE:

Aviation policy and strategy development / review.

ADVOCATE MPATI LEBAKENG
Board Member

QUALIFICATIONS

LLB, IATA Aviation Law, Diploma: Alternative Dispute Resolution, Risk Based Oversight Training: IoDSA.

DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE):

Non-Executive Director (NED).

DATE APPOINTED

23/06/2023.

AREA OF EXPERTISE:

Legal, Governance, Compliance, Regulatory.

SACAA BOARD COMMITTEE MEMBERSHIPS:

Audit and Risk Committee (ARC) & Human Resources Committee (HRC).

OTHER DIRECTORSHIPS (LIST THE ENTITIES):

Alliance Group Investments, All Alliance Subsidiaries, Appointed as one of the Chairpersons of the SARS Board for Gauteng.

MR TSHEPO PEEGE
Board Member

QUALIFICATIONS

Master's Degree in Transport Policy and Management, Executive Course in Urban and Property Development, Civil Aviation Chief Executive Programme, Finance for Senior Executives, Diploma in Aviation Technology Specialising in Avionics, B727-200 Flight Engineer Systems Certificate, Aircraft Accident Investigation Diploma, Aviation Safety Program Management Diploma, Airport Operations and Transportation Development, Boeing 727 Flight Engineer License, Certificate in Personnel Practice, Personnel Management Industrial Relations, Dangerous Goods for Aircrew, Airplane Accident Investigation Techniques for Airline Flight Safety Organisations, Airport Management, Integrated Safety Management Systems, Airline Management Integration, Flight Safety and Human Factors, ICAO Regional Hands-On Training Workshop for States Action Plan on CO2 Emissions Reduction, Universal Safety Oversight Audit Programme CMA Activities Training in the Area of OPS.

DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE):

Non-Executive Director (NED), Chairperson of Safety, Security and Environment Committee (SSEC).

DATE APPOINTED

23/06/2023.

SACAA BOARD COMMITTEE MEMBERSHIPS:

Safety, Security and Environment Committee (SSEC) & Audit and Risk Committee (ARC).

OTHER DIRECTORSHIPS (LIST THE ENTITIES):

None

AREA OF EXPERTISE:

Aviation.

MS POPPY KHOZA
Director of Civil Aviation

QUALIFICATIONS

Executive MBA in Aerospace Management, B. Management and Advanced Business Programme, International Executive Development Programme, Executive Development Programme, Certificate in Travel and Tourism, Civil Aviation Chief Executive Programme Certificate, Certificate in Aviation Safety for Directors-General, International Visitor's Leadership Programme (USA Alumni), Various Civil Aviation Certificates from ICAO and IATA.

DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE):

Executive Director *, Director of Civil Aviation (DCA).

DATE APPOINTED

Appointed 1/12/2013, Re-appointed 1/12/2018, Re-appointed 1/12/2023.

OTHER DIRECTORSHIPS (LIST THE ENTITIES):

None

AREA OF EXPERTISE:

Leadership and Aviation.

Board Committees

Board Committees remain an enabler to effective governance and sound informed decision-making for the Board. In keeping with Principle 8 of the King IV Report™, the Board delegated certain functions to well-structured Committees, without abdicating its responsibilities. This principle is aligned with section 81 of the Civil Aviation Act and the Committees allow for more in-depth deliberation on crucial and complex matters and enable the Board to make informed decisions on such matters, based on the recommendation of its Committees. The structure adopted by the Board at the committee level was based on the complexity of the business, the risk environment and the size of the Board. The Committees have supported the Board in the performance of its functions, without relinquishing the Board of its collective authority and decision-making.

The Board had three Committees in place during the 2023/24 financial year, namely:

- AUDIT & RISK COMMITTEE
- HUMAN RESOURCES COMMITTEE
- SAFETY, SECURITY AND ENVIRONMENT COMMITTEE

19. BOARD COMMITTEE PERFORMANCE

Board Committees remain the heart of the effective governance and sound decision-making for the SACAA Board. Committees are structured according to business complexity, size of the Board and the evolving nature of risks facing the entity. In terms of Principle 8 of the King IV Report ™, the Board is required to delegate certain functions to well-structured committees, without abdicating its own responsibilities. This is also alluded to in Section 81 of the Civil Aviation Act.

The committees allow for more in-depth deliberation on crucial and complex matters and this enables the Board to make informed decisions on such matters, based on the recommendations of its committees. The structure adopted by the Board at committee level has supported the Board in the performance of its functions, without relinquishing the Board of its collective authority and decision-making.

The table below discloses relevant information on the Board Committees, its mandates, membership and meetings convened:

Board and Committee Meetings 2023/24 financial year					
Committee	**Role and responsibilities**	**No. of Meetings Held**	**No. of Members**	**Name of Members**	**Meetings Attended**
Audit and Risk Committee	The ARC is a statutory committee that provides independent and objective oversight over, among others, financial and sustainability reporting, financial management, risk management, internal controls, internal audit functions and processes, external audit, procurement processes, and information technology governance. The mandate of the ARC is mostly derived from the PFMA. Members of the ARC were nominated by the Board and their appointment was ratified at the AGM of 25 September 2023.	9	4	Mr S Sooklal (Chairperson)	9/9
				Mr B Koyana **(Retired from the ARC on 31 July 2023)**	4/4
				Ms T Phewa **(Retired from the ARC on 31 July 2023)**	9/9
				Ms Z Nkosi **(Independent Specialist member reappointed on 1/06/2022)**	9/9
		6		Adv M Lebakeng **(Appointed on 1 August 2023)**	6/9
		6		Mr T Peege **(Appointed on 1 August 2023)**	6/9
Human Resources Committee (Included the SP HRC, Interviews and Workshop)	The HRC provides independent and objective oversight over, among others, human resources issues, labour relations, collective bargaining issues, remuneration, performance management systems, reward strategy, retention policy, succession planning and any other issues relating to the workforce of the SACAA.	10	4	Ms B Koyana (Chairperson)	10/10
				Mr S Sooklal	10/10
				Adv M Lebakeng **(Appointed on 1 August 2023)**	9/10
Safety, Security and Environmental Committee – SSEC	SSEC was constituted to ensure that the Board is fully appraised of aviation safety and security matters, including environmental issues. The Committee provides oversight over aviation safety, security and environmental matters and mobilises the requisite resources for safety, security, and environmental matters, including audits. The SSEC also reviews key strategies that affect safety and security in the aviation industry as well as the quarterly divisional reports.	4	4	Ms T Phewa (Interim Chairperson 1 June 2022 to 31 July 2023 thereafter ordinary member)	4/4

Board and Committee Meetings 2023/24 financial year					
Committee	Role and responsibilities	No. of Meetings Held	No. of Members	Name of Members	Meetings Attended
				Ms B Koyana	4/4
				Mr T Peege Chairperson **(Appointed on 1 August 2023)**	2/2
				Mr E Khosa **(Appointed on 1 June 2022 and retired from the Committee on 30 July 2023)**	2/2

Table 21

Board Meetings & / Workshops	No. of Meetings Held	No. of Members	Name of Members	Meetings Attended
BOARD MEETINGS **(Included other Board meetings (NCAA delegation, workshop**	12	7	Mr E Khosa- Chairperson	12/12
			Ms B Koyana	12/12
			Mr S Sooklal	12/12
			Ms T Phewa	12/12
			Mr T Peege	8/8
			Adv. M Lebakeng	8/8
			Ms P Khoza	12/12
BOARD STRATEGY SESSION	2	7	Mr E Khosa- Chairperson	2/2
			Mr S Sooklal	2/2
			Ms B Koyana	2/2
			Ms T Phewa	2/2
			Mr T Peege	2/2
			Adv. M Lebakeng	2/2
			Ms P Khoza	2/2
ANNUAL GENERAL MEETING (AGM)	1	7	Mr E Khosa- Chairperson	1/1
			Mr S Sooklal	1/1
			Ms B Koyana	1/1
			Ms T Phewa	1/1
			Adv. M Lebakeng	1/1
			Mr T Peege	1/1
			Ms P Khoza	1/1
BOARD TASK TEAM MEETINGS	2	3	Mr E Khosa Chairperson	2/2
			Ms B Koyana	2/2
			Mr S Sooklal	2/2

Table 22

a) *Remuneration of Board Members*

The Board remuneration is determined by the Minister of Transport in accordance with the Civil Aviation Act. Board Members are paid a monthly stipend and, in addition, are remunerated for meeting attendance and preparation. Members are also reimbursed for any travel expenses incurred.

The Board remuneration is disclosed in the annual financial statements and is summarised hereunder:

Name	Annual Stipend & Fees Remuneration	Other Allowance	Other Reimbursements*	Total
Mr E Khosa*	384 270	N/A	34 059	418 329
Mr S Sooklal*	393 189	N/A	20 394	413 583
Ms B Koyana	388 554	N/A	25 617	414 171
Ms ZG Nkosi	46 221	N/A	143	46 364
Advocate M Lebakeng	279 336	N/A	10 768	290 103
Mr T Peege	261 247	N/A	32 702	293 949
Total	**1 752 817**	**N/A**	**123 683**	**1 876 500**

Table 23: Board Remuneration

20. ETHICS AND CODE OF CONDUCT

* **Reimbursement expenses are disclosed in terms of Section 28 (1) (4) of the PFMA as reimbursement costs paid to Board members. The costs include travel costs for all meetings of the Board and its Committees.**

In April 2023, the SACAA developed and implemented an Ethics Implementation Plan and updated the Ethics Risk Register, both of which were approved by the Board. This program was executed for the 2023/24 financial year, achieving 100% of the Board-approved objectives, indicative of the SACAA's commitment to ethical governance.

Significant strides were made to enhance the ethical culture within the SACAA, with ongoing efforts by Management and the Ethics function to enforce compliance with the Ethics Policy, including the Code of Conduct. These efforts align with the ethical principles set forth by the SACAA Board of Directors in the Strategic Plan and adhere to the principles of the King IV Report ™.

King IV™ advocates for governance that supports the establishment of an ethical culture and emphasises that the governing body should lead ethically and ensure the entity is a responsible corporate citizen. The Ethics Implementation Plan drew from the findings of the previous Risk and Opportunity Assessment/Ethics Survey from the 2021/22 financial year, establishing realistic targets to continuously reinforce employees' ethical obligations. This has been crucial in maintaining the SACAA's reputation as an ethical regulator, an asset that is vital for sustaining the entity's integrity and public trust.

Key activities from the Ethics Plan included:

- Revision and Board approval of the Ethics Risk Register.
- Regular monitoring and reporting of mitigation plan to ExCo and the Board.
- Distribution of Ethics Communiques to staff and management, and hosting focus groups on abuse of power and ethical dilemmas.
- Monthly inductions for new employees and continuous training for Ethics Ambassadors.

- Board approval for the revised Ethics Policy in July 2023.
- Appointment of a service provider to conduct a Risk and Opportunity Assessment/Ethics Survey, which led to the SACAA achieving an AA rating based on a 71% response rate, signalling a highly engaged workforce.

Moreover, the annual Ethics Campaign Plan was developed in collaboration with internal stakeholders, leading to a successful Ethics Day on February 27, 2024. This event marked the launch of an automated Ethics Gift Register. An audit by the Internal Audit team found no significant issues, confirming the robustness of the ethics governance framework.

The Board's actions closely align with principles 1, 2, and 3 of King IV™ related to ethics. These principles are foundational to understand and implement an effective ethical framework within the entity.

Principle 1 of King IV™ emphasises that the governing body should lead ethically and be a responsible corporate citizen. The SACAA's Board exemplifies this by setting the tone for ethical leadership and integrity, which is reflected through its active involvement in and approval of ethics-related policies and programs. The Board's and Management's dedication to ethical leadership is evident in the structured Ethics Implementation Plan and its robust efforts to ensure the SACAA's operations adhere to high ethical standards.

The second principle states that the governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. The SACAA has actively taken responsibility for governing organisational ethics by approving comprehensive ethics policies, conducting regular ethics training, and maintaining a clear and accessible Ethics Risk Register. These actions ensure that all organiational activities align with ethical standards and that ethical considerations are embedded in the SACAA's strategic planning and daily operations.

According to King IV™, the organisation should be a responsible corporate citizen. In response, the SACAA's Board oversees the integration of social, economic, and environmental considerations into business decisions, enhancing the organisation's commitment to sustainable development. This approach is reinforced through the annual Ethics Campaign Plan and activities like Ethics Day, which promote an understanding of ethics beyond the internal organisation and into the community and broader stakeholder base.

Looking ahead, the Board is committed to further entrench and mature the ethics culture at the SACAA, both internally and externally. This dual approach will ensure that SACAA's ethical standards are upheld, not only within the entity, but also in its interactions with external stakeholders. This proactive approach to ethical governance not only enhances the SACAA's reputation as an ethical regulator but also solidifies its role as a leader in setting governance standards within the public sector.

By committing to these principles from King IV™, the SACAA Board continues to demonstrate a comprehensive understanding of, and dedication to, ethical leadership, organisational ethics, and responsible corporate citizenship, ensuring the ongoing maturity and entrenchment of a robust ethical culture.

21. RISK MANAGEMENT

The objective of the SACAA's Enterprise-Wide Risk Management programme is to reduce the total cost of risk, maximise available opportunities, and add maximum sustainable value to all activities of the organisation by assisting in achieving key strategic objectives.

To this end, enterprise-wide risk management is embedded throughout the SACAA, to ensure the organisation fulfils its mandate, achieves its strategic objectives, and explores identified opportunities. This is achieved through the continuous reassessment of current risks and the identification of emerging risks and opportunities.

All identified risks, whether strategic, tactical, or operational in nature were assessed, updated in the risk registers, mitigated through existing controls and implementation of recommended actions to ensure an acceptable level of control effectiveness.

The risk appetite was determined directly in relation to the SACAA's strategy and considered in terms of strategy setting, resource allocation, and key management decisions and actions. To this end, Risk Management is a standing item on the Executive Management Committee and Audit and Risk Committee's agendas. The Audit and Risk Committee reviews organisational risk on a quarterly basis. The Director of Civil Aviation (DCA) appointed the Risk Committee that meets once a quarter to consider the progress in the implementation of risk mitigation action, to identify emerging risks and to agree on the appropriate mitigation actions to treat the risk. Risk champions are also appointed by the DCA and they facilitate the updating of departmental risk registers and ensures that risk remains top of mind for all in the departments.

As outlined in the Strategic Risk Register matrix below, progress was realised in terms of the identified recommended actions.

		Legend
Extreme Risk	17 to 25	
High Risk	10 to 16	
Moderate Risk	5 to 9	
Low Risk	1 to 4	

THE SACAA STRATEGIC RISK REGISTER									
Risk No.	Strategic Outcomes	Risk Name	Risk Description	Risk Description Evaluation before Considering Current Control Strategies			Evaluation after Considering Current Control Strategies		
				Consequence	Likelihood	Inherent Risk Rating (IRR)	Consequence	Likelihood	Residual Risk Rating (RRR)
3	Improved Stakeholder engagement and service excellence	Stakeholder Management	Poor Stakeholder Relations impacting negatively on aviation safety and security oversight	5	4	20	4	3	12

THE SACAA STRATEGIC RISK REGISTER									
Risk No.	Strategic Outcomes	Risk Name	Risk Description	Risk Description Evaluation before Considering Current Control Strategies			Evaluation after Considering Current Control Strategies		
				Consequence	Likelihood	Inherent Risk Rating (IRR)	Consequence	Likelihood	Residual Risk Rating (RRR)
10	Sustained good governance and organisational effectiveness	Third Party Management	Ineffective 3rd Party Management resulting in increased costs, loss of services and equipment shortages	5	4	20	4	3	12
8	Optimised Innovation and Technology management	Cyber Security	Cyber Breaches resulting in data fraud, theft and affecting data integrity	5	4	20	4	2.5	10
5	Optimised Innovation and Technology management	Business Resilience	Inability of the business to continue operations following a disruptive event	5	5	25	4	2.5	10
6	Strengthened Safety and Security Oversight System	Legislative Non-Compliance	Non-compliance with New and Amended Legislation and Regulations	5	4	20	4	2.5	10
9	Sustained good governance and organisational effectiveness	Governance	Ineffective corporate governance resulting in poor ethics, increased corruption and fraud which impact impact on the effective delivery of the mandate and the sustainability of the SACAA	5	4	20	4	2.5	10
2	Optimised Human Capital Management	Human Capital	Failure to attract, develop and/or retain critical and scarce talent	5	4	20	4	2.5	10
1	Optimised financial sustainability	Revenue, Economic Climate	Financial sustainability of the Regulator	5	5	25	3	3	9
7	Optimised Innovation and technology management	ICT System Reliability	Unavailability of ICT services and vulnerability of ICT System	5	5	25	4	2	8
4	Strengthened Safety and Security oversight system	Safety and Security oversight	Ineffective implementation of aviation safety and security oversight resulting in an increase of accidents and unlawful interference	5	5	25	3	2.4	7

Table 24: 2023/24 Strategic Risk Register

22. INTERNAL CONTROL

22.1 Whistleblowing

In compliance with the Protected Disclosures Act, 2000, (Act No. 26 of 2000), the SACAA has established and maintained an independent fraud hotline service. During the year under review, all concerns or complaints received, whether from within or outside the SACAA were received, recorded, analysed, and allocated to relevant divisions for investigation.

The Audit and Risk Committee (ARC) also discusses reports from the whistle-blowing hotline through reports presented by the Internal Audit Division. The ARC regularly receives progress reports on the status of the investigations, and the Committee ensured that the necessary corrective actions were taken by management. The Committee, in the year under review, approved the Annual Forensic – Fraud and Corruption Plan, which has targets to address whistleblowing.

22.2 Managing Fraud and Corruption

The Fraud and Corruption Prevention Framework was approved by the Board and was implemented, including all other supporting policies. The Fraud and Corruption Prevention Policy was amended to consider changes introduced by the National Treasury in dealing with procurement processes.

In the period under review, various awareness campaigns were conducted internally and externally, including awareness campaigns relating to the whistleblowing processes involving the Industry Liaison Forum (ILF), general staff meetings, management meetings as well as sessions during the Culture Week. Implementation of the approved Annual Forensic – Fraud and Corruption Prevention Plan was done throughout the year. All set targets in the plan were implemented, which translated to a 100% achievement rate.

Financial Year (FY)	Total Cases received in the FY	Finalized Cases	Percentage (%)
2021/22	92	92	100%
2022/23	80	62	78%
2023/24	44	18	41%

Table 25: Status of Reported Cases

The majority of the incidents reported related to irregular aviation business practices, which needed the intervention of the SACAA to enforce compliance to regulations by various stakeholders.

Management continued to monitor the forensic investigations that were conducted and expedited the implementation of the recommendations made by the Forensic Services Department, as well as incidents reported through the Fraud Hotline.

The reporting and investigation of incidents were enhanced by Management's commitment to fully implement the recommendations contained in the Forensic Investigation Reports. The Audit and Risk Committee also monitored the implementation of the forensic reports.

A comprehensive Fraud Risk Assessment was conducted during the year, and the monitoring of corrective and improved management actions was done periodically to strengthen the internal control environment.

The work done to manage and/or reduce fraud and corruption provided the ARC as well as the Board with the required level of assurance that the risks associated with fraud, corruption, and maladministration were being managed effectively by the SACAA.

22.3 Vuvuzela Whistleblowing Hotline

As the SACAA, and part of promoting a robust safety culture, the organisation is committed to conducting our business ethically with honesty, integrity, and invite all stakeholder to utilise our Vuvuzela Hotline to report any mischievous activities on this free call number 0800 204 911 and email: sacaa@hotline.co.za. All whistleblowers remain anonymous with all of their information treated with confidentiality.

23. COMBINED ASSURANCE (CA)

In accordance with corporate governance best practice, the SACAA adopted the King IV™ guidelines to ensure that the organisational Combined Assurance (CA) model incorporates and optimises assurance activities and functions, as an essential part of effective Corporate Governance. The SACAA has an approved Risk Management Policy supported by the CA Policy which affirm the organisation's commitment to good corporate governance. The SACAA CA model, which considered the five areas of assurance, integrated the efforts of internal assurance providers with that of independent and external assurance providers, regarding the significant risk areas affecting the SACAA.

During the period under review, the CA Committee management coordinated the implementation of the approved 2023/24 plan and coordinated the efforts of all assurance providers, to ensure that significant risk exposures were adequately monitored and managed. The CA policy as well as the Strategy and Framework were reviewed to ensure that the governance principles relating to processes remained relevant.

The ARC and the Board continued to provide oversight over the SACAA's CA function by monitoring the effectiveness of the organisation's processes.

The SACAA's CA maturity was assessed by an external service provider to give an independent objective assessment of the organisation's combined assurance maturity level. The organisation achieved a Level 4 (Managed) out of 5 rating demonstrating the progress recorded since the introduction of the combined assurance model almost ten years ago.

24. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

Audit and Risk Committee responsibility

The Audit and Risk Committee (ARC) reports that it has complied with their responsibilities arising from section 50(1) and 51(1) of the PFMA and Treasury Regulations. The Committee further reports that it has adopted appropriate formal terms of reference as its ARC Charter and has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The ARC is established as an independent statutory committee in terms of the PFMA and the Civil Aviation Act. The Committee oversees all audit, finance, legal compliance, performance information, information technology, internal audit, combined assurance, business continuity, fraud and corruption and risk matters for the SACAA; however, the Board is ultimately accountable for performance information, legal compliance, financial and risk management.

The Audit and Risk Committee for the year ended 31 March 2024 comprised of three non-executive members and an independent specialist member. The independent member was appointed in November 2020 and re-appointed on 1 June 2022 by the Board. The committee is chaired by an independent non-executive member, Mr Surendra Sooklal. It is reported that Ms Koyana and Ms Phewa both of whom were members on 1 April 2023 were retired from the ARC on 31 July 2023. On 1 August 2023 Adv. M Lebakeng and Mr T Peege were appointed. The ARC membership was confirmed by the Executive Authority at the AGM held on 25 September 2023. The Director of Civil Aviation, Chief Financial Officer, Chief Audit Executive, Executive: Corporate Services and the Auditor-General of South Africa all have a standing invitation to the ARC meetings. The appointment of the ARC members is confirmed annually at the Annual General Meeting by the Executive Authority. On an annual basis, the ARC assesses the effectiveness of the Internal Audit activity against the criteria outlined below:

- Achievement of the annual Internal Audit Plan;
- Compliance with the Institute of Internal Auditors' professional standards;
- Achievement of reporting protocols through management to the audit and risk committee;
- Timeliness of reporting of findings and activities;
- Responsiveness to the changing business and operational environment;
- Management's acceptance and closure of the internal audit findings;
- Quality and relevance of the annual assessment reports;
- Level of co-operation and interaction with other assurance providers within the agreed combined assurance approach;
- Maintenance of adequate staffing and resource levels to achieve the annual Internal Audit Plan outcomes and meet the requirements of the Internal Audit Charter; and
- Meeting the budget allocated to the internal audit function.

During the period under review, the Committee held five scheduled meetings, and four special meetings. The purpose of the special meetings was to consider the internal audit and forensic plans, policies, ENE budgets, tenders and APP deliverables. The Chairperson of the Committee reports to the Board quarterly, regarding the Committee's deliberations, decisions and recommendations. In addition, the Committee also reports quarterly to the Executive Authority.

Attendance of ARC meetings by members

Mr S Sooklal	9 out of 9
Ms B Koyana (retired on 31 July 2023)	4 out of 4
Ms T Phewa (Retired on 31 July 2023)	4 out of 4
Ms Z Nkosi	9 out of 9
Adv M Lebakeng (Appointed on 01 August 2023)	6 out of 6
Mr T Peege (Appointed on 01 July 2023)	6 out of 6

The ARC submits this report for the financial year ended 31 March 2024, as required by Treasury Regulations 27.1.7 and 27.1.10(b) and (c) issued in terms of section 51(1)(a)(ii) and 76(4)(d) of the PFMA.

During the period under review, the Committee is satisfied that it has fulfilled its statutory duties and responsibilities as required by the PFMA and Treasury Regulations, as well as various additional responsibilities assigned to it by the Board. The Committee's activities are also guided by its Terms of Reference which are annually reviewed and approved by the Board.

The effectiveness of internal control and risk management

Internal Audit provides the ARC with reasonable assurance regarding the adequacy and effectiveness of internal controls across all significant areas of the entity. This assurance is delivered through the development of a Risk-based Annual Internal Audit Plan. Additionally, Internal Audit ensures that management implements appropriate corrective actions in response to findings outlined in final internal audit reports. Furthermore, during individual audits, Internal Audit recommends areas of improvements to the control environment and processes.

Based on reviews from both internal and external auditors, issues highlighting deficiencies in the internal control system have been communicated to management, and necessary corrective actions have been implemented. Therefore, we can confirm that the systems of internal control over financial reporting during the period under review were deemed to be adequate and effective.

Section 51(1)(a)(i) of the PFMA states that the Accounting Authority must ensure that the SACAA maintains an effective, efficient and transparent system of financial, risk management and internal control.

The Audit and Risk Committee is responsible for overseeing risk management and ensuring that the internal audit function is independent and has the necessary resources, authority and skills to discharge its responsibility effectively. Reviews on the effectiveness of the internal controls were conducted and they covered financial, operational, compliance and risk assessments.

During the year under review, the Committee conducted the following activities.

Reviewed and recommended the following matters to the Board for approval:

- Quarterly risk reports containing potential and emerging risks and opportunities aligned to the SACAA's strategic plan;
- Quarterly PFMA compliance reports;
- Quarterly finance and materiality reports;
- Quarterly performance management reports;
- The SACAA's policies on fraud and corruption, bank and cash, investment, telephone & cell phones and security;
- The risk assessment and risk management, including fraud risks and information technology risks;
- The Medium-Term Expenditure Framework and the Estimates of National Expenditure for the ensuing periods;
- The draft Annual Report 2022/23;
- Revision of the Delegation of Authority ;
- Review of the supply chain, other financial, risk, internal audit, fraud and legal compliance policies; and
- The ICT strategy, and the Cyber Security Strategy and threat assessments, amongst others.

Reviewed and approved the following quarterly reports:

- Information and Communication Technology;
- Combined assurance reports;
- Materiality reports;
- Legal compliance, litigation and fraud incidents; and
- Oversight on capex projects.

The Audit and Risk Committee reviewed the annual financial statements for the 2023/24 Financial Year of the SACAA and is satisfied that they comply with the accounting standards and that the accounting policies used are appropriate and consistent. The annual financial statements were reviewed with the following focus:

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Calculation and levels of general and specific provisions;
- Write-offs and reserve transfers; and
- The basis for the going concern assumption.

Financial reporting

In addressing our key objective, which is to assist the SACAA through the Board, in ensuring the integrity of its financial statements, we reviewed the financial statements with both management and the external auditor, concentrating on:

- Compliance with financial reporting standards and governance reporting requirements;

- Significant financial reporting judgments and estimates to be made in applying accounting policies;
- The appropriateness of and any changes to accounting policies;
- Significant adjustments resulting from the audit;
- Compliance with legal requirements and accounting standards;
- Reasons for year-on-year fluctuations;
- The procedures and controls around estimates that are key to applying accounting policies; and
- Whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides information necessary for stakeholders to assess the entity's business model, strategy and performance.

The Committee's primary focus during the period was on safeguarding the integrity of the SACAA's financial reporting, enhancing the framework of financial controls, and evaluating the accuracy and fairness of the financial statements.

Internal Audit

The Internal Audit Department is responsible for providing professional, independent and objective assurance on the adequacy and effectiveness of the internal control environment across all the significant areas of the SACAA's operations and assist the SACAA in achieving its set objectives.

Key activities of Internal Audit are:

- to develop and implement a three-year risk-based internal audit plan which takes into account risks and concerns identified and raised by management and those raised by the ARC. The plan is submitted to the ARC;
- to build and enhance the skills level of audit staff with knowledge to assist them in the execution of planned audits; and
- to provide optimal audit coverage by considering the scope of work of the external auditors and other assurance providers within the SACAA as per the Combined Assurance Framework.

The Internal Audit Department completed all planned audits and allocated ad-hoc assignments for the period under review.

The ARC is responsible for ensuring that the Internal Audit Function is independent and has the necessary resources, standing and authority within the SACAA to enable the Function in discharging its duties. Furthermore, the ARC oversees co-operation between the internal and external auditors and serves as a link between the Board and these two functions.

Internal Audit's activities are measured against the approved risk-based annual internal audit plan and the Chief Audit Executive tables progress reports in this regard to the ARC on a quarterly basis.

During the reporting period the Audit and Risk Committee reviewed and approved/noted the following matters:

- The risk-based annual internal audit plan and the three-year risk-based internal audit rolling plan;
- Progress reports on the closure of the internal audit findings;
- Internal audit's quarterly reports in line with the approved internal audit plan; and
- Internal audit charter for the 2023/2024 financial year.

The ARC has formed an opinion that adequate, objective internal audit policies and procedures exist within the SACAA and that the SACAA's Internal Audit Department has complied with the International Standards for the Professional Practice of Internal Auditing, the required legal, regulatory and other responsibilities as stipulated in its Charter during the period under review. We are satisfied that the Internal Audit Function is operating effectively, and that it has addressed the risks pertinent to the SACAA in its internal audit engagements.

Whistle-blowing

In compliance with the Protected Disclosures Act, 2000, the SACAA has established and maintains an independent fraud hotline service. The Audit and Risk Committee wishes to report that, for the financial year under review, it received and dealt with all concerns or complaints, whether from within or outside of the SACAA.

The ARC also discusses reports from the whistle-blowing hotline through reports presented by Internal Audit Division's Forensic Services Department. The ARC receives regularly progress reports on the status of the investigations, and the Committee ensured, that the necessary corrective actions were taken by management. The Committee in the year under review also reviewed and approved the Fraud and Corruption Prevention and Investigation Policies and the Annual Forensic: Fraud and Corruption Prevention Plan.

The quality of management and quarterly reports submitted in terms of the PFMA

The ARC is satisfied that it received sufficient, reliable, and timely information from management in order to enable it to fulfill its responsibilities. During the year under review, quarterly management reports were presented by management to enable the Committee to:

- Monitor the integrity, accuracy and reliability of the financial position of the SACAA;
- Review the management accounts of the SACAA to provide the Accounting Authority with an authoritative and credible view of the entity's financial position.
- Review the disclosures made in the financial reports of the SACAA and the context in which statements on the financial health of the entity are made; and
- Review all material information presented together with the management accounts.

The quality of budgets submitted in terms of the PFMA

The ARC is satisfied that it received sufficient, reliable, and timely information that enabled it to:

- Review and ensure that the annual budgets are balanced, credible and realistic against the approved business plans; and
- Monitor and periodically review the implementation of the approved budget by the Accounting Authority.
- Risk Management and Combined Assurance.

The committee acknowledges significant improvements in the implementation of the risk management policy, framework, plans, and the combined assurance model. The combined assurance providers consistently achieve synergy among the diverse assurance providers, demonstrating sustained collaborative efforts to ensure comprehensive assurance coverage. The Audit and Risk committee diligently oversaw the execution of the combined assurance plan, ensuring cohesive coordination and alignment of assurance activities across multiple lines of defence. This approach ensures that assurance efforts are sufficiently robust and resource-efficient.

Auditor-General of South Africa (AGSA)

The Audit and Risk Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

The Audit and Risk Committee monitored the implementation of the action plan to address matters arising from the management report issued by the Auditor-General of South Africa for the 2022/2023 financial year. It is reported that there were no findings in the 2022/2023 financial year.

The Auditor-General has unrestricted access to the SACAA's records and management and furnishes a written report to the Committee on significant findings arising from the annual audit and can raise matters of concern directly with the Chairman of the Committee.

The ARC concurs with and accepts the conclusions and the audit opinion of the Auditor-General of South Africa on the annual financial statements and is of the view that the audited financial statements be accepted and read together with the report of the Auditor-General of South Africa.

Mr S Sooklal
Chairperson of the Audit and Risk Committee

25. COMPLIANCE WITH LAWS AND REGULATIONS

During the review period, the Board's rigorous oversight of issues of legal compliance contributed to the SACAA's success in achieving and exceeding its legal compliance goals, as underscored by the strategic outcome 6 on "Sustained good governance and organisational effectiveness" from the approved Strategic Plan. The Board's proactive role was particularly evident in its approval and monitoring of the Legal Compliance Management Implementation Plan, which sets a high benchmark of 90% for compliance achievements. Remarkably, the SACAA not only met, but exceeded, this target, achieving a 100% implementation.

The SACAA's commitment to ensure comprehensive coverage of compliance risks was manifested by the approval of diverse Compliance Risk Management Plans, addressing both high- and low-risk areas across critical legislation such as the Cybercrimes Act and the Occupational Health and Safety Act. Additionally, a specific focus was placed on the Protection of Personal Information Act, where diligent monitoring by management ensured that the SACAA continues to comply with this important piece of legislation.

The move towards automating legal compliance processes also reflected the Board's foresight and commitment to integrate cutting-edge technology to enhance compliance monitoring. This strategic direction is in alignment with the principles outlined in the King IV Report ™, advocating for innovation in governance processes. Continuous communication efforts further promoted a culture of compliance throughout the SACAA. Regular updates and communiques on various compliance-related topics were disseminated, ensuring that all employees were aware and informed of the ongoing compliance expectations and developments.

Overall, the Board's role in monitoring and ensuring legal compliance at the SACAA has been exceptional. Through strategic planning, rigorous oversight, and adaptive leadership, the Board not only upheld the principles of the King IV Report ™, but has also set a standard for governance that significantly strengthens the SACAA's stance as a compliant and ethically responsible corporate citizen.

26. COMPANY SECRETARY

The Board continues to be supported by a competent and qualified Company Secretary. The Company Secretary plays a pivotal role as the "gatekeeper" in advising the Board on its roles and responsibilities, among other duties.

The roles and responsibilities of the Company Secretary are set out in detail in the Board Charter, read together with the King IV Report™. The Company Secretary is evaluated annually and every second year as part of the Board Evaluation.

The Company Secretary maintains an arm's length relationship with the Board and its Directors.

The Company Secretary is also empowered with the necessary authority and support to carry out her duties as follows:

- Maintaining all statutory records.
- Annually reviewing all Board and Committee Charters.
- Assisting the Chairperson with the annual Board evaluation.
- Advising the Board on business ethics and good governance.
- Ensuring that the Board's policies and instructions are communicated to the appropriate persons in the Authority.
- Ensuring that the Board receives adequate information to make informed decisions.
- Ensuring Board induction, training and development.
- Monitoring of legislative compliance.
- Being responsible for the ethics and legal compliance function.

27. SOCIAL RESPONSIBILITY PERFORMANCE

a) Child/Youth Headed Households Support Programme

This programme involves the donation of monthly grocery vouchers to Child/Youth-headed families, enabling them to redirect their social grant money to other basic needs, thereby improving their holistic livelihood. The organisation further supports families with critical needs beyond groceries to ensure their safety and educational advancements.

b) Maths and Science Project (iFlySTEM)

The iFlySTEM programme is an initiative aimed at improving the performance of learners who are far below par in the Maths and Science grades, through the provision of extra classes. During the reporting period, classes for 2024 commenced at Sibongamandla Secondary School with 26 learners. One learner from last year dropped out of school, and he was replaced by the district department of education.

c) Charity Support Programme

The project was officially launched on 18 July 2023 with support approved for three charity organisations over a three-year period. During the reporting period, a charity drive was conducted, during which staff donated teddy bears and nappies for children at Vita Nova Centre in Springs, Gauteng; the SACAA also donated R240 000 to train blind young people in ICT skills at the Action for the Blind.

28. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The SACAA prides itself on achieving effective supply chain management processes. In the year under review all Supply Chain Management (SCM) processes were in place with proper controls. In line with the SACAA's contribution and compliance to corporate governance, the SACAA managed to give non-financial support to ten nominated SMME's in a form of various trainings and financial support to one nominated SMME in the form of laptop, printer, binding machine and monitor and aided in partnering with private stakeholders including banks for funding purposes. This support to the ten nominated SMME's was centred around youth, women, and black owned entities with more than 51% black ownership.

The following are the stats for the year under review in relation to spend for women, youth, and black owned entities with more than 51% black ownership.

B-BBEE SPEND OF TOTAL EXPENDITURE ON WOMEN OWNERSHIP		
MONTHS	PERCENTAGE	RAND VALUE
April	13%	1 300 734.49
May	9%	1 573 644.18
June	13%	1 944 433.12
July	18%	2 154 267.28
August	12%	3 073 252.26
September	11%	743 258.68
October	15%	2 170 925.25
November	11%	2 603 272.98
December	18%	4 293 980.72
January	19%	1 235 998.36
February	12%	1 494 400.64
March	19%	3 710 980.19
TOTAL	**14%**	**26 299 148.13**

Table 26: B-BBEE spend of total expenditure on women ownership

B-BBEE SPEND OF TOTAL EXPENDITURE ON YOUTH OWNERSHIP		
MONTHS	PERCENTAGE	RAND VALUE
April	6%	623 275.19
May	2%	333 823.40
June	1%	194 406.34
July	4%	515 715.12
August	2%	617 556.53
September	2%	157 405.34
October	3%	445 073.08
November	2%	380 268.94
December	5%	1 179 098.17
January	6%	374 592.92
February	2%	194 962.29
March	2%	364 826.10
TOTAL	**3%**	**5 381 003.41**

Table 27: B-BBEE spend of total expenditure on youth ownership

B-BBEE SPEND OF TOTAL EXPENDITURE ON 51% OWNERSHIP		
MONTHS	PERCENTAGE	RAND VALUE
April	39%	3 948 596.64
May	28%	4 748 086.01
June	62%	9 231 694.47
July	69%	8 190 020.03
August	39%	9 623 679.94
September	86%	5 726 468.94
October	56%	8 235 605.09
November	64%	14 782 607.31
December	53%	12 706 572.10
January	53%	3 548 388.64
February	41%	5 234 685.02
March	56%	11 124 038.84
TOTAL	**54%**	**97 100 443.04**

Table 28: B-BBEE spend of total expenditure on 51% ownership

29. OCCUPATIONAL HEALTH AND SAFETY

a) *OHS Inspection*

INSPECTION AREA	STATUS
1. Sanitary Facilities	Completed
2. Firefighting equipment and installations	Completed
3. First Aid stations/boxes	Completed
4. Lighting and common appliances	Completed
5. General environment inspections and walkabouts	Completed

Table 29: Schedule of OHS Inspections

There was one (1) incident reported of an employee who accidentally tripped and fell in her office. The incident was been reported to the Compensation Commissioner and the employee received the necessary medical attention.

a) *Injury On Duty*

April 2023 - Mar 2024	
Category of incidents	Number
Fatal Injury	0
Major injury	0
Minor injury	0
Dangerous occurrences	0
Total reports	0

Table 30: Injury on Duty

PART D

HUMAN RESOURCES

30. OVERVIEW OF HUMAN RESOURCES PROGRAMMES

Our Human Capital is at the centre of what we do. We continue to put great focus and invest in strategic initiatives to attract, develop, motivate, and retain best talent for the SACAA. Some of the key programmes implemented in the period include employee reward and recognition, skills development, bursaries, internships and trainee programmes, leadership development, talent management, organisational culture alignment, the employee value proposition, performance management, employee wellness, employee safety as well as employee relations.

The SACAA prides itself in continuing to implement best-practice Human Resources (HR) programmes to attract and retain the best talent for a sustained high-performance culture.

30.1 The SACAA Culture

Our culture which is summarised in six pillars, defines who we are and how we do things around the SACAA. The SACAA continued to entrench the organisational culture, which is key in enabling the achievements of our strategy. In the last financial year, the Values and Culture Pillars were re-entrenched through divisional road shows. The Culture Journey included the re-communication of the culture pillars demonstrating the alignment of culture pillars with the SACAA values.

The SACAA declared February 2024 as the culture month. HR in collaboration with other divisions, namely Internal Audit, Company Secretary and Corporate Services, conducted several activities to ensure that the organisational culture is upheld and understood by all employees. The focus was on the three pillars which are Leadership: Communication and Collaboration and Ethics and Governance. The activities in the culture month included training sessions for employees on Fraud awareness and an Ethics Day. Wrapping up the culture month, the Organisational Masterclass was held, with the theme, 'Self-mastery.'

30.2 Talent Management

The talent management programme encompasses several critical components aimed at nurturing and maximising employee potential. At its core, performance mapping was executed according to the performance management framework. This process was enabled by the performance appraisal, which offered valuable insights into employees' strengths, areas for improvement, and growth potential. This data served as a foundation for talent plotting, where employees were strategically positioned within the Organisation based on their skills, competencies, and career aspirations. This process created a baseline succession plan, ensuring a smooth transition of leadership and expertise within the organisation. Succession plans were meticulously crafted, taking into account the identified talent pool and aligning it with the organization's long-term goals and objectives.

To support succession planning, various activities were implemented, including learning and development initiatives and mentorship programs. These activities were designed to enhance employees' skills, broaden their knowledge base, and provide guidance and support as they progress in their careers. By investing in talent development, organisations not only cultivate a skilled workforce, but also foster a culture of continuous learning and growth.

30.2.1 Mentorship

As part of the SACAA's transformation initiatives, the organisation continued to implement a mentorship programme that targeted increasing engagements amongst the women employees in the organisation to help eradicate any barriers that may hamper career growth in the workplace. In the year under review, the organisation implemented two group mentorship sessions focused on: 'Communication and Collaboration' and 'Nurturing Mental Health for Women'.

The organisation further implemented a one-on-one mentorship programme for twenty female employees which was monitored by HR to ensure effectiveness. The SACAA promotes inclusivity and diversity in the workplace and to this extent an Imbizo session with men was also held to ensure that no employee is left behind in the growth process.

30.2.2 Employee Value Proposition (EVP)

The SACAA is a human-capital-intensive organisation and therefore, annually, we seek to enhance our EVP in our offering. Among other initiatives, the SACAA's EVP statement, namely "Propelling you into new horizons," plays a crucial role in the organisation' interventions to attract and retain the right talent. There was a continued focus to ensure that the SACAA does not only stay true to its EVP through continued offerings to its employees, but that the employer brand continue to be visible through career fairs and other platforms.

- We care about our employees' well being
- We provide opportunities for learning, development and growth
- We recognise your meaningful contribution to the aviation industry
- We recognise and reward good performance
- We value job security and stability

30.2.3 Change Management

30.2.3.1 Building Capacity and Frameworks for Effective Change

In the previous year, our organisation committed to enhance its change management capabilities, as it is implementing very exiting changes, focusing on the comprehensive adoption of a structured change management framework. Leveraging John Kotter's 8 Step Model for Leading Change, as an organisation we initiated a robust plan to ingrain these principles into our organisational culture. This strategic decision was complemented by extensive training programs aimed at equipping employees with the necessary tools to effectively manage personal transitions during organisational change.

30.2.3.2 Practical Application and Strategic Initiatives

The year 2024 marked a significant advancement in our change management journey with the practical implementation of Kotter's framework across several key strategic projects. A prime example of this application was the RBO programme, which showcased our commitment to integrating change management practices with our core business strategies. This approach not only enhanced the overall programme awareness and understanding of the RBO programme, but also served as a model for integrating change management into other strategic initiatives.

30.2.4 Expanding the Change Network

A pivotal element of our strategy was the formation and expansion of our Change Champion Network. This network brought together a diverse group of employees from various divisions and job grades, all dedicated to fostering change within their respective areas. The enthusiastic participation and collaborative efforts of these change champions were instrumental in building momentum and creating a supportive environment for change across the SACAA. As we move forward, the Change Management Team will continue to focus on empowering line managers, who play a critical role in the day-to-day implementation of change initiatives. Through practical interventions and continued support, we aim to enhance their capabilities to manage change effectively. This effort will ensure that change management principles are not only understood but are also practiced, leading to sustainable organisational transformation.

30.2.5 Skills Development

Through continuous development and learning wê enable the SACAA to excel in its work of regulating and promoting safety and security in the industry. The organisation has, therefore, invested both time and financial resources to ensure that its employees are equipped with the right skills and expertise to achieve the work that is set before them. In the year under review, the SACAA has implemented various projects that enable learning, and these include:

30.2.5.1 Employee Bursary Programme

As part of its continued investment in the development of its employees, the SACAA has, in the year under review, provided funding in the form of bursaries to 76 of its employees.

These employees are enrolled in various qualifications that are linked to the critical organisational skills requirements or their respective job roles. The employees were enrolled at different institutions across the country and internationally. Of these employees, 12 were able to complete their studies in the year. An additional 26 employees were awarded bursaries in the year to enroll for academic qualifications linked to their job roles. The total number of beneficiaries of the SACAA Employee Bursary Programme was 76.

30.2.5.2 External Bursary Programme

To contribute to the development of the industry, the SACAA continued to offer bursaries to students who want to enter the Aviation sector. This programme exposes young South Africans to the world of Aviation along with all its possibilities. In the period under review, the SACAA continued to provide financial support through its External Bursary Programme to 29 young South African Aviators.

These students enrolled to pursue their studies in various programmes such as the Pilot Training Programme, Aeronautical Engineering and Aircraft Maintenance Engineering. The key highlight of this programme in the period was that the second cohort of students was sent to France to begin their training at Ecole Nationale de l'Aviation Civile (ENAC). The SACAA increased its investment in this programme by increasing the number of students enrolled to eight. Of these students four are female while the other four are male and the racial split is equally representative of all racial groups. The second highlight of the programme in the year was that one Aeronautical Engineering student was able to graduate. This is the second student to successfully come out of this programme having been supported by the SACAA through its bursary programme.

Twenty-eight of the students will continue to receive funding from the programme in the new financial year.

TRAINING COSTS PER DIVISION				
Division	Personnel expenditure (R '000)	Training expenditure* (R '000)	Number of employees trained	Average training cost per employee (R '000)
Accident and Incident Investigations Division	25 994	1 313	23	57
Aviation Infrastructure	60 230	1 100	55	20
Aviation Safety Operations	161 395	6 198	139	45
Aviation Security	53 562	899	43	21
Aviation Safety Standards and Assurance	73 478	610	60	10
Finance	56 865	677	58	12
*Human Resources	49 017	12 403	50	248
Company Secretary	9 762	63	5	13
Legal and Aviation Compliance	32 765	279	28	10
Internal Audit	11 330	0	12	0
Flight Inspection Unit	8 676	138	6	23
**Cape Town Regional Office	11 292	192	11	17
***Corporate Services	47 391	751	43	17
Total	**601 757**	**24 623**	**533**	**46**

Table 31: Training Costs per Division

***This number includes training for interns and bursars.**

****The training expenditure for staff members based in the Cape Town Regional Office is allocated in the respective Divisions to which they report.**

*****Includes Training Expenditure and Numbers for the Office of the DCA.**

30.2.5.3 Skills Audit Project

In the year under review, the SACAA implemented various interventions that culminated in the development of a three-year skills plan. The plan targeted the outcomes of the skills audit project and also incorporated all other training requirements, such as those linked to the development of talent for succession, and the employee bursary programme. Central to the development of employees within the SACAA, is the development of inspectorate technical skills. In alignment with this, the SACAA conducted a benchmark in the year with various Civil Aviation Authorities, on the management of technical training as a means of continuously improving the way in which this is implemented and managed within the SACAA. The organisation equally understands that learning and development of employees does not stop, and some employees continued to attend various training interventions. The costs of this is captured in the table below in accordance with the divisional split:

30.2.5.4 Accreditation of Aviation Technical Qualifications

In the year under review, the SACAA begun a project that aims to articulate aviation technical qualifications onto the South African National Qualifications Framework. The project was instituted following a benchmarking exercise conducted in the 2022/2023 financial year that sought to compare qualifications offered in the country with those offered in other states.

It was established that there is still more that can be done in South Africa to ensure that those who choose to enter the industry can have access to qualifications that carry credits that are transferable. This provide opportunities for them to grow their careers. In the year under review, a lot of work was done to build a foundation for the project in the industry. Various consultations were held with key role players in the industry, to build partnerships and collaborations in conducting this work.

These ultimately led to the identification of the key qualifications that will be worked on in this project and the separation of these based on priority and need. Various consultations were also held with key organisations within the education sector, including the Transport Education Training Authority, Quality Council for Trade and Occupation, Department of Higher Education and Training and Umalusi to set out a clear path to the processes to be followed in the project. A special steering committee was set up that will include both the SACAA employees and those from other organisations that are affected by the project. This is indeed an exciting endeavour for the SACAA, and the organisation will continue to invest resources in leading the development and advancement of the industry.

30.2.6 Employee Engagement

In the previous financial year, significant efforts were made to enhance employee engagement through a carefully crafted Employee Engagement Action Plan. This plan was not only developed, but also successfully implemented to drive positive organisational outcomes. Key components of this implementation included the communication of employee engagement survey results. By transparently sharing these results, the organisation demonstrated its commitment to understanding and addressing employee concerns and feedback.

Additionally, to ensure leadership effectiveness, a comprehensive 360-degree leadership feedback process was conducted. This feedback mechanism provided valuable insights into leadership strengths and areas for improvement, fostering continuous development and growth among leaders. By soliciting feedback from multiple perspectives, the organisation aimed to cultivate a more inclusive and impactful leadership culture.

Moreover, a performance management audit was undertaken to evaluate the effectiveness of the performance management process implementation in alignment with organisational policies. This audit served as a critical measure to ensure that performance management practices were fair, transparent, and conducive to driving employee performance and development.

Overall, the development and implementation of the Employee Engagement Action Plan, coupled with initiatives such as 360-degree leadership feedback and performance management audits, underscored the organisation's commitment to foster a positive work environment, enhance leadership effectiveness, and optimise performance management practices for the benefit of both employees and the organisation.

30.2.7 Internship Programme

The internship programme offers students an opportunity to gain insight into the aviation industry, the organisation's culture, and daily operations with the purpose of assisting young professionals to complete their qualifications and to increase their employability. The SACAA, in the past year, hosted a total of 31 students, of which 61% were females and 39% males.

The students were placed in both the technical and non-technical divisions based on their specific field of study. Interns were appointed for a period of 12 months. However, a few interns' contracts were extended for an additional 12 months to ensure that they receive the full scope of work experience required.

Interns were also given opportunities to apply for vacant positions as the main purpose of the programme is to gainfully employ those who become successful in the recruitment process. All interns who completed the training received a certificate of completion to support their endeavours to find employment.

30.2.8 The SACAA Trainee Programme

The aviation industry continues to grow at a rapid rate, especially after the COVID-19 pandemic period. As a result, there is a focus to upskill and train the future aviators as this will ensure there is sufficient skills available. The SACAA, as part of its transformation initiatives, continued to implement the trainees programme and this year the SACAA hosted a total of 16 trainees, of which 51% were females and 49% males.

The majority of these trainees were placed in the technical divisions due to the scarcity of specific skills in the industry. Trainees were placed in areas such as Flight Operations, Airworthiness, Engineering, PANS OPS and a few non-technical areas such as Client Services, Company Secretaries Office, and HR. The appointment period for each trainee varies as it is based on the type and level of training required in that area of expertise, however the minimum appointment period is 24 months. Trainees who successfully complete the training are placed in permanent positions or, in some cases, are given an opportunity to compete for specific positions through the organisation's recruitment process.

30.2.9 Employee Health Safety and Wellness

One of the SACAA's key priorities is employees' health and wellness. The SACAA developed a two-year integrated Health and Wellness Programme and year one of the plan was successfully implemented. The wellness programme focused on every major aspect of an employee's life, including preventative health testing, financial advice, family support, psychological counselling and other wellness-related advice and support. The ICAS Employee Assistance Programme (EAP) encompasses core counselling and advisory services and is highly valued by our staff as we have seen increased utilisation.

The Health and Wellness programme was implemented through various forms such as physical exercise sessions, online communications and workshops which dealt with issues such as managing conflict, financial wellness, stress and work-life balance, gender-based violence, general health and safety awareness, the incapacity process, and cancer awareness.

The Employee Wellness Day was one of the highlights of the year as employees were once again able to have their physical health assessed by the Discovery Health and Medshield medical aid companies. Employees received healthy food recipes from a dietician and both men and women were able to have their bodies scanned for cancer and other chronic diseases. Employees were also given an opportunity to join a gymnasium as part of maintaining consistency in improving both their mental and physical health.

30.2.10 Employee Rewards and Recognition

The cornerstones of the SACAA approach to monetary rewards are competitive rewards offered to create an appropriate environment that attracts and retains talent of the right calibre and skills and motivates them to perform in alignment with the organisational goal.

At the same time, the SACAA aims to reward outstanding achievement by recognising those who perform outstanding work when executing the SACAA organisational strategy. The SACAA monetary reward includes guaranteed pay and variable pay, which consists of short-term incentives and recognition schemes.

In line with the above-mentioned principles, in the year under review the SACAA has, through the board approval, implemented annual salary increases as one of the monetary retention interventions to ensure that the organisation's reward structures remain competitive. The SACAA has, on the achievement of the previous year's annual performance deliverables, paid the Short-Term Incentive (STI) in the form of annual performance bonuses. The Short-Term Incentive is based on the attainment of annual performance deliverables. The STI is intended to improve the organisational performance and focus the attention of employees on key and strategic objectives.

Beyond the monetary reward, the SACAA place great emphasis on the recognition of employees through the SACAA Employee Awards. The South African Civil Aviation Authority believes that the quality and commitment of employees is vital to the continued success of the organisation. The SACAA has, in the year under review, celebrated individuals and teams that made strides in living the SACAA values, as well as demonstrated exceptional behaviour in alignment to the organisation's goals.

The SACAA continues to benchmark its employee benefits with comparable organisations to keep abreast with best practices in remuneration and benefits trends, and to ensure competitive remuneration and benefits within the parameters of affordability, as far as is achievable and sustainable. In the light of this, an external benchmarking exercise was concluded. The external benchmark exercise was conducted to evaluate the effectiveness and competitiveness of the SACAA current benefits offering compared to the industry standards and best practices.

30.2.11 Employee Relations

Sound employee relations between the employer and the employees, including organised labour is not only key to the SACAA's higher employee engagement but is at the heart of ensuring a harmonious and productive environment conducive to the achievement of the SACAA's mandate.

a) Collective Bargaining and Salary Negotiations

In the year under review, the SACAA engaged with the National Union of Metalworkers of South Africa (NUMSA) to conclude a collective bargaining agreement which recognised the trade union as a bargaining agent in the workplace.

Furthermore, the SACAA and NUMSA has successfully concluded the salary negotiations for the 2024/2025 financial year. The parties will continue to engage on outstanding matters emanated from the negotiations.

b) Labour Engagement

Since the establishment of the labour engagement platforms, the SACAA and organised labour continued to engage on various issues that affect the organisation and its employees. The Labour engagement platforms include the bilateral meetings with the union on a monthly basis, the DCA forum which takes place twice a year and the collective bargaining forum where parties negotiate salary increase and matters of mutual interest.

In the previous financial year, the SACAA and NUMSA extensively engaged on a number of issues which resulted in the development of the two – year labour engagement plan which was approved by the DCA. The SACAA successfully implemented year 1 of the plan. This contributed immensely to the sound employee relations and labour engagement in line with the HR strategic objective.

31. HUMAN RESOURCES OVERSIGHT STATISTICS

This Section of the report provides statistics in relation to various human resources activities and functions.

31.2 Personnel Costs by Division

The personnel costs in the table below are inclusive of fixed and variable payments for permanent and fixed-term staff, as well as a stipend for bursars and interns. The amounts below relate to the payments made through payroll, and thus exclude accruals and provisions as disclosed in the Annual Financial Statements.

a. Personnel Cost by Division

Division	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Accident and Incident Investigations Division	34 581	25 994	75.2%	21	1 238
Aviation Infrastructure	66 123	60 230	91.1%	56	1 076
Aviation Safety Operations	182 381	161 395	88.5%	138	1 170
Aviation Safety Standard Assurance	82 051	73 478	89.6%	81**	907
Aviation Security	63 679	53 562	84.1%	49	1 093
Finance	162 959	56 865	34.9%	63	903
Human Resources	71 896	49 017	68.2%	94*	521
Company Secretary	12 879	9 762	75.8%	6	1 627
Legal and Aviation Compliance	39 837	32 765	82.3%	25	1 311
Internal Audit	13 033	11 330	86.2%	9	1 259
Flight Inspection Unit	42 619	8 676	20.4%	6	1 446
Corporate Services and DCA's Office	103 760	58 683	56.6%	45	1 304
Total	**875 798**	**601 757**	**68.7%**	**593**	**1 013**

Tabel 32: Personnel Cost by Division

***This number includes fixed-term contractors, interns, and bursars.**

****This number includes the office of the Cape Town Office.**

b. Personnel cost by salary band

The personnel costs reflected in the table below depict all positions, according to the different occupational levels in the organisation. The occupational levels are aligned to the Paterson Grading System.

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	7 433	1.2%	1	7 433
Senior Management	38 282	6.4%	11	3 480
Professional qualified	161 298	26.8%	89	1 812
Skilled	362 636	60.3%	365	993
Semi-skilled	25 626	4.3%	51	502
Unskilled	6 482	1%	76	85
TOTAL	**601 757**	100%	**593**	**1 015**

Table 33: Personnel cost by salary band

c. Performance Rewards

The performance rewards reflected in the table below were implemented following approval from Board.

Programme/activity/objective	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	2 095	7 433	28.2%
Senior Management	7 179	38 282	18.6%
Professional qualified	20 781	161 298	12.9%
Skilled	41 635	362 636	11.5%
Semi-skilled	2 045	25 626	8.0%
Unskilled	117	6 482	1.8%
TOTAL	**73 852**	**601 757**	**12.3%**

Table 34: Performance Rewards

32. EMPLOYMENT AND VACANCIES

The organisation has an overall approved staff complement of 596, however, only the positions identified as critical have been filled.

The remaining positions were put on hold as a cost-saving measure due to budget constraints.

The vacant positions filled were in line with the Employment Equity (EE) plan which focused on employing mainly black males, females and, coloured males and females in the technical and management level positions.

32.1 Employment and Vacancies Per Division

EMPLOYMENT AND VACANCIES PER DIVISION					
Programme	2022/23 Number of employees	2023/2024 Approved Posts	2023/24 Number of employees	2023/2024 vacancies	% of vacancies
Accident and Incident Investigation Division	24	27	21	6	22.2%
Aviation Safety Infrastructure	50	62	56	6	9.7%
Aviation Safety Operations	141	159	*138	21	13.2%
Safety Standards and Assurance	80	116	81	35	30.2%
Aviation Security	46	52	*49	3	5.8%
Finance	60	60	*63	-3	-5.0%
Human Resources	71	18	**94	(76)	(422.2)%
Company Secretary	5	5	*6	(1)	(20.0)%
Legal and Aviation Compliance	24	27	25	2	7.4%
Flight Inspection Unit	7	10	6	4	40.0%
Internal Audit	9	9	9	0	0.0%
Office of the DCA	4	3	3	0	0.0%
Corporate Services	49	48	42	6	12.5%
Total	**570**	**596**	**593**	**3**	**0.1%**

Table 35: Employment and vacancies per Division

*** This number includes fixed-term contract employees**

****The negative variance is due to the inclusion of fixed term contract employees, interns, trainees, bursars, and learnership students**

32.2 Employment Changes

The table below reflects changes that took place during the period under review.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	10	2	1	11
Professional qualified	80	17	8	89
Skilled	358	46	39	365
Semi-skilled	49	5	3	51
Unskilled	72	38	34	76
Total	**570**	**108**	**85**	**593**

Table 36: Employment changes

32.3 Reasons for Staff Leaving

The table below indicates the attrition rate as well as the reasons for staff exiting the organisation. Exit interviews were conducted and the reasons given for resignations were related to career progression, relocation, better remuneration, opportunity to pursue flying career and family responsibilities. Information obtained during exit interviews feeds into the organisational retention plan.

Reason	Number	% of total no. of staff leaving
Death	3	4%
Resignation	30	35%
Dismissal	5	6%
Retirement	5	6%
Ill health	0	0%
Expiry of contract	8	9%
Other: End of Internship and Bursary Programmes	34	40%
Total	**85**	**100%**

Table 37: Reasons for Staff Exits

***This number includes permanent employees, fixed-term contractors, interns, and bursars.**

32.4 Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	8
Final Written warning	2
Dismissal	2

Table 38: Misconduct and disciplinary action

32.5 Equity Targets and Employment Equity Status

The following tables details the current status around employment equity in the organisation.

EMPLOYMENT EQUITY STATUS – MALE								
Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	5	5	0	0	1	1	1	1
Professional qualified	36	38	1	2	3	3	8	8
Skilled	143	156	13	18	16	17	19	21
Semi-skilled	10	9	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	**194**	**208**	**14**	**20**	**20**	**21**	**28**	**30**

Table 39: Employment Equity Status – Male

***The table includes fixed-term contract employees; but excludes interns and bursars.**

EMPLOYMENT EQUITY STATUS – FEMALE								
Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	3	3	0	0	1	1	0	0
Professional qualified	32	33	2	3	1	1	5	4
Skilled	138	148	12	19	9	11	15	18
Semi-skilled	33	34	2	4	3	2	3	3
Unskilled	3	3	0	0	0	0	0	0
Total	**210**	**222**	**16**	**26**	**14**	**15**	**23**	**25**

Table 40: Employment Equity Status – Female

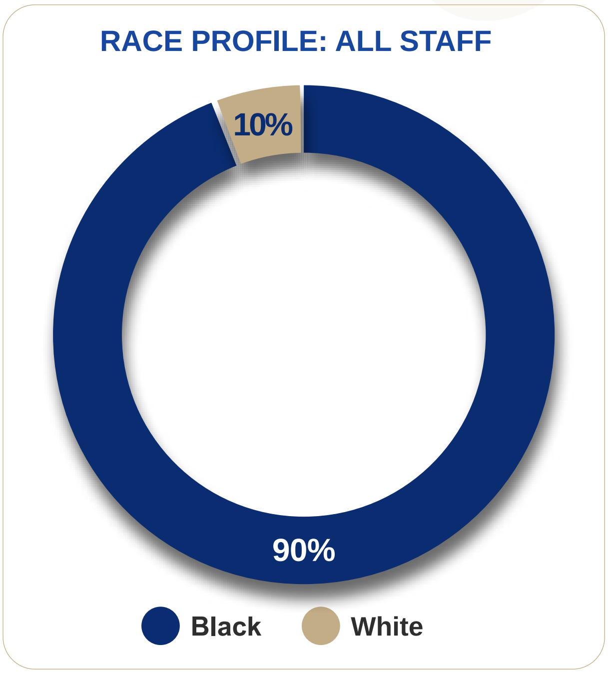
***The table includes fixed-term contract employees; but excludes interns and bursars.**

EMPLOYMENT EQUITY STATUS – DISABLED STAFF				
Levels	Male		Female	
	Target	Current	Target	Current
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	2	3	5	3
Semi-skilled	1	0	2	2
Unskilled	0	0	0	0
Total	3	3	7	5

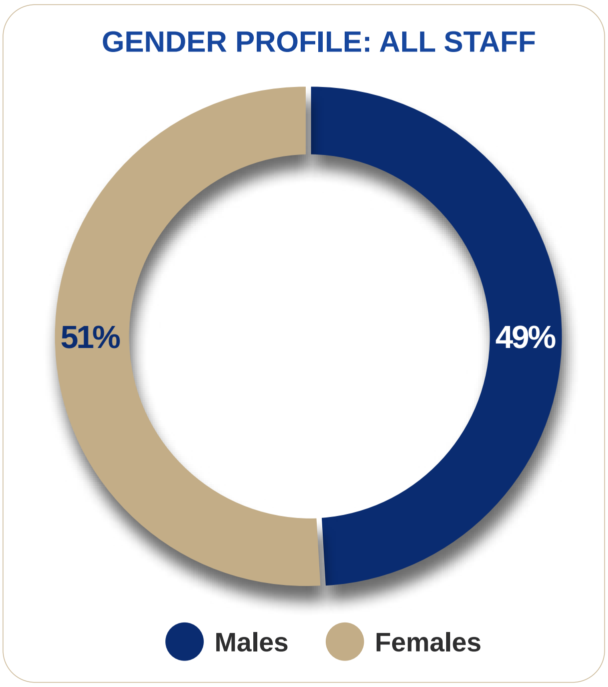
Table 41: Employment Equity Status – Disabled Staff

***The table excludes fixed-term contractors, interns, and bursars.**

32.6 Race And Gender Profile



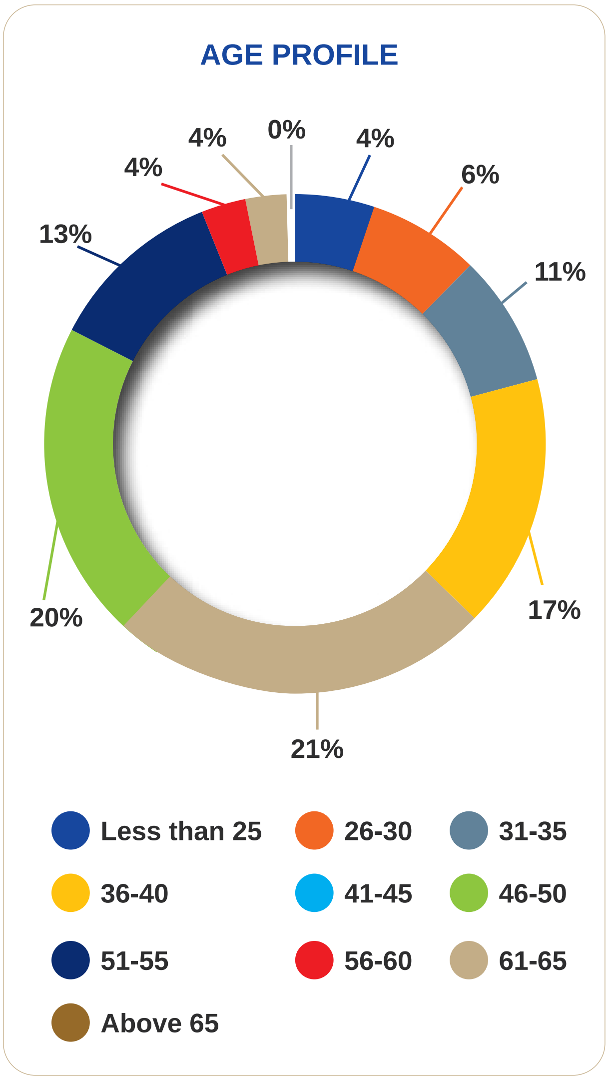
Graph 19: Race Profile: All Staff



Graph 20: Gender Profile: All Staff

32.7 Age Profile

The SACAA workforce is at an average age of 45 years. 21% of employees represent youth and include the bursars and interns which benefitted from the bursary, internship and learnership programmes. 92% of employees are below the early retirement age of 55 years while 8%, which represents 44 employees, has reached this age and one employee is on retirement.



Graph 21: Age Profile

PART E

PFMA COMPLIANCE REPORT

33. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

33.1 Irregular Expenditure

Non-compliance to the PFMA is monitored on a quarterly basis by the Board, ARC and the ExCo in accordance with the PFMA Checklist provided by the National Treasury (NT). This report is also shared with the Executive Authority on a quarterly basis and in accordance with the Board Performance Agreement. In the period under review the following is reported with regard to Irregular, Fruitless and Wasteful Expenditure.

a) Reconciliation of Irregular Expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	254	-
Add: Irregular expenditure confirmed	-	254
Less: Irregular expenditure condoned	(254)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**-**	**254**

Table 42: Reconciliation of Irregular Expenditure

The irregular expenditure in the previous financial year related to non-compliance to SCM policies, procedures and prescripts and was condoned by the SACAA Board in July 2024.

b) Reconciling Notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular expenditure for the current year	-	254
Total	**-**	**254**

Table 43: Reconciling Notes

c) Details of Current and Previous Year Irregular Expenditure (Under Assessment, Determination, and Investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	254
Total	**-**	**254**

Table 44: Current and Previous Year Irregular Expenditure

There was no irregular expenditure condoned, removed, recovered, or written off during the current and preceding financial years. The Internal Audit Division, through its Forensic Services Department, conducted and concluded its investigation and confirmed the irregular expenditure that was reported during the previous financial year. The investigation confirmed that there was no fraudulent, corrupt, or criminal conduct, that there were no losses incurred and that value for money was received. Management accepted the investigation report of Internal Audit and implemented the recommendations thereof.

There was no fruitless and wasteful expenditure identified relating to the current or preceding financial years.

d) Details of current and previous year irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	254	-
Total	**254**	**-**

Table 45: Details of current and previous year irregular expenditure condoned

The irregular expenditure in the previous financial year, that related to non-compliance to SCM Policies, procedures and prescripts was condoned by the SACAA Board in July 2024.

33.2 Late and/or non-payment of suppliers

Description	Number of	Consolidated
	Invoices	Value
		R'000
Valid invoices received	6 115	214 738
Invoices paid within 30 days or agreed period	6 115	214 738
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)*	-	-

Table 46: Late and/or Non-Payment of Suppliers

33.3 PROCUREMENT BY OTHER MEANS

No	Project Description	Name of Supplier	Contract Number	Type of procurement by other means	Value of contract (R including VAT)
1	CaseWare Software License	Adapt IT	N/A	Sole Supplier	83,431
2	Venue for NAC Conference	Houghton Hotel Conference Venue	N/A	Single Source confinement	950,000
3	Exhibition Stand at the 2023 Univen / Vhembe career exhibition	The University of Venda and Career Exhibition and Information Association	N/A	Single Source confinement	3,000
4	Exhibition Space at Aero 2023	Messe Frankfort	N/A	Single Source Confinement	52,420
5	Kwalata Science Expo	Kwalata Game Lodge (Pty) Ltd	N/A	Single Source Confinement	25,000
6	Agent that will assist with the Mozambique Flight Inspection Tender	Mr Petro Langa	N/A	Single Source Confinement	USD 80 per hour
7	Translation Services	Tochinet Communications and venture	N/A	Single Source Confinement	15,600
8	Maintenance of Elevator	Melco Elavators (SA) Pty Ltd	N/A	Single Source Confinement	44,059
9	Maintenance of Fire Alarm and Gas Supression System	Intergrated Fire Security	N/A	Single Source Confinement	61,402
10	Exhibition Stand at the Virginia Airshow	Creative Space Media (Pty) Ltd	N/A	Single Source Confinement	31,650
11	Renewal of SCM practitioners memberships	Charted Institute of Procurement and Supply	N/A	Single Source Confinement	13,024
13	Motivational Speaker MANCO and ExCo Strategic Planning Sessions	Speaker Firm (Pty) Ltd	N/A	Single Source Confinement	13,024
14	Motivational Speaker MANCO and ExCo Strategic Planning Sessions	Speaker Firm (Pty) Ltd	N/A	Single Source Confinement	90,000
15	Provision of rental furniture at the exhibition stand for Aviation Africa 2023	Recto-Verso Limited	N/A	Single Source Confinement	USD 4 246
16	CCMA to provide bargaining training workshop to the SACAA collective bargaining forum	Commission for Concilation, Mediation and Arbitration	N/A	Single Source Confinement	20,658
17	Card License Consumables	Altron Security	CNT 4178	Sole Supplier	380,000
18	Provision of Media Features for the Aviation Career Expo and Drone Display in October 2023	South African Broadcasting Corporation	N/A	Single Source Confinement	207,000
19	Drone Display Air Safety Officer Aviation Career Expo and Drone Display in October 2023	Vula Aviation Technologies	N/A	Single Source Confinement	25,350
20	Provision of TV Live Broadcast Services for the 2023 Civil Aviatin Industry Awards	Newzroom Afrika	N/A	Single Source Confinement	184,000
21	Provision of Radio Broadcast Services for the 2023 Civil Aviatin Industry Awards	Radio 702	N/A	Single Source Confinement	172,000
22	Provision of purchasing a trophy for the employee Awards	Khoja Group	N/A	Single Source Confinement	22,700
23	Aviation Legislation Services	Lexis Nexis (Pty) Ltd	N/A	Single Source Confinement	2,914,692
24	Advertising in the Sawubona Magazine	Mikateko Media	N/A	Single Source Confinement	69,500
25	Certifying the SACAA as a Top Employer	Top Employer South Africa (Pty) Ltd	N/A	Sole Supplier	284,625
26	Conduct inquiry by Abitrator in accordance with section 188A of the Labour Relations Act	Commission for Conciliation Mediation and Arbitration	N/A	Sole Supplier	As and when the matte is scheduled
27	Airshow Organiser for the SACAA	Creative Space Media (Pty) Ltd	N/A	Single Source Confinement	891,193
28	Screener Cards Consumables	Altron Security	N/A	Sole Supplier	141,956
29	Employer of Choice data report and presentation to DCA and ExCo	Universum	N/A	Single Source Confinement	153,000
30	Certifying the SACAA as a Top Employer	Top Employer South Africa (Pty) Ltd	N/A	Sole Supplier	630,416

Table 47: Procurement by other means

33.4 CONTRACT VARIATIONS AND EXPANSIONS

No	Project Description	Name of Supplier	Contract Number	Contract modification type (expansion or variation)	Original contract value (R including VAT)	Value of current contract expansion or variation (R including VAT)	Value of previous contract expansion or variation (R including VAT)
1	ICAO 1000 Celebration Dinner	Corporate Venue Solutions	N/A	Purchase order variation	228,100	38,272	None
2	Cadets Pilot License Renewal	Central Flying Academy	CNT 4174	Contract scope expansion	297,740	64,309	None
3	Lease of Photocopier Machines	Itec Tiyende	CNT 4111	Contract extension	5,620,919	32,951	461,314
4	Lease of Photocopier Machines	TSL Communications and Automation	CNT 4099	Contract extension	5,620,919	42,923	600,922
5	Lease of Photocopier Machines	Velaphanda Trading and Projects	CNT 4098	Contract extension	5,620,919	29,501	413,014
6	Maintenance Contract	EMPIC	CNT 4185	Contract scope expansion	59,685,210	1,757,154	None
7	Torque IT	Central Flying Academy	CNT 4174	Contract scope expansion	408,250	23,000	None
8	Microsoft Azure Cloud Hosting	Microsoft	CNT 4034	Contract scope expansion	12,349,061	3,704,718	None
9	Flight Inspection Services	Aerodata AG	CNT 4149	Contract duration extension	46,616,050	None	None
10	Venue Hire ; DCA Industry Road Show	Protea Hotel OR Tambo	N/A	Purchase order variation	62,809	15,300	None
11	Microsoft enterprise and Office 365 licenses	Microsoft	CNT 4092	Contract scope expansion	27,361,947	1,130,709	None
12	Rendering Whistleblowing Services	Whistle Blowers (Pty) Ltd	CNT 4093	Contract scope expansion	340,278	7,607	226,729
13	DRC Sponsorship Gala Diner	Hilton Hotel	N/A	Purchase order variation	265,513	10,176	None
14	CyberArk Privileged Access Managemwent	Cyberlink Security (Pty) Ltd	CNT 4176	Contract duration extension	823,280	None	None
15	Provision of Aviation Legislation	Lexis Nexis (Pty) Ltd	CNT 4106	Contract duration extension and variation	1,500,972	262,462	None
16	Microsoft enterprise licensing agreement	Microsoft	CNT 4206	Contract variation	USD 1 522 441	USD 111 734	None
17	Provision of a high level Board Evaluation	The Institute of Directors in South Africa	CNT 4093	Contract duration extension	205,275	None	None
18	Provision of AVSEC Instructor Workshop	Premeir Hotel Rhodesfield	PO0000037865	Purchase order variation	65,521	2,950	None
19	Provision of Civil Aviation Industry Awards	Atlantis Corporate Travel (Pty) Ltd	PO0000037896	Purchase order variation	2,129,043	56,219	None
20	Provision of Conducting Job profiles for the SACAA	The Assessment Toolbox	CNT 4206	Contract duration extension and variation	500,000	419,896	80,000
21	Additional Cost for the SED Mandela Day Project - Tshepang Care Centre	Blue Berry Construction and Projects 40 cc	PO0000036826	Purchase order variation	360,000	10,000	None

No	Project Description	Name of Supplier	Contract Number	Contract modification type (expansion or variation)	Original contract value (R including VAT)	Value of current contract expansion or variation (R including VAT)	Value of previous contract expansion or variation (R including VAT)
22	Reduction of Aviation Legislation Blue book sets	Lexis Nexis (Pty) Ltd	CNT 4106	Contract scope reduction	1,763,434	None	None
23	Increasing the delegate numbers for an advanced Microsoft Office course	Sunrise Conferencing	PO0000038502	Purchase order variation	25,000	6,250	None
24	Contact Centre Intergration, Customer satisfation survey, Installation and customasition of the workforce engagement capability and support and maintenance of telephony solution for the contact centre	Vox Telecommunications (Pty) Ltd	CNT 4232	Contract scope expansion and variation	926,238	410,821	None

Table 48: Contract variations and expansions

Document Name	Verification Report
Document Number	C5 – F -15.6
Revision Number	Version 2
Implementation Date	7 October 2020

AUTHENTIC RATING SOLUTIONS
B-BBEE Rating Agency

Final BEE Verification Report

South Africa Civil Aviation Authority

11 July 2024

Certificate Number: ATRS2024G2564

Technical Signatory: Johan Kamper

Verification Analyst: Madri Van Der Walt

For the purposes of the annual report under B-BBEE requirements please indicate as follows:

Under preferential procurement, and in line with the organisation's target, The SACAA was audited by an independent agency to determine its B-BBEE status. Based on the final BEE verification report, the SACAA is currently a level 2 contributor.

The table below depicts the SACAA's B-BBEE compliance status.

Management Control

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Board Participation	Exercisable voting rights of black board members as a percentage of all board members	2.5	33.00%	100.03%	2.50
	Exercisable voting rights of black female board members as a percentage of all board members	2.5	16.50%	57.16%	2.50
	Black persons who are executive directors as a percentage of all executive directors	2	33.00%	100.00%	2.00
	Black female executive directors as a percentage of all executive directors	2	16.50%	100.00%	2.00
Top Management	Black Senior Top Management	4	43.00%	100.00%	4.00
	Black Women Senior Top Management	3.5	21.50%	100.00%	3.50
	Black Other Top Management	3.5	43.00%	90.91%	3.50
	Black Women Other Top Management	3	21.50%	36.36%	3.00
	Percentage of black people living with disability as percentage of Total Management	1	3.00%	0.00%	0.00
Bonus Points	Black independent non-executive board members	3	26.00%	100.00%	3.00
					26.00

Table 49: Management Control

Employment Equity

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Disabled	Black disabled employees as a percentage of all employees	2	2.00%	1.34%	1.34
	Black women disabled employees as a percentage of all employees	2	1.00%	0.89%	1.79
Management	Black employees in Middle Management as a percentage of all such employees	2	63.00%	83.90%	2.00
	Black women employees in Middle Management as a percentage of all such employees	2	31.50%	38.98%	2.00
	Black employees in Junior Management as a percentage of all such employees	2	68.00%	93.33%	2.00
	Black women employees in Junior Management as a percentage of all such employees	2	34.00%	45.38%	2.00
Pilots	Black Pilots as a percentage of total pilots	2	8.00%	80.00%	2.00
	Black Women Pilots as a percentage of total pilots	2	3.00%	24.00%	2.00
Technicians	Black Technicians as a percentage of total Technicians	2	25.00%	100.00%	2.00
	Black Women Technicians as a percentage of total Technicians	2	3.00%	25.00%	2.00
Bonus Points	Bonus point for meeting or exceeding the EAP targets in each category	3	92.30%		2.00
					21.13

Table 50: Employment Equity

Skills Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Skills Development Expenditure	Skills Development Expenditure on Learning Programmes for black employees as a percentage of Leviable Amount	3	3.00%	3.13%	3.00
	Skills Development Expenditure on the Learning Programmes for black women employees as a percentage of Leviable Amount	3	1.50%	1.43%	2.86
	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black employees with disabilities as a percentage of Leviable Amount	1.5	0.30%	0.03%	0.16
	Skills Development Expenditure on Learning Programmes for black women employees with disabilities as a percentage of Leviable Amount	1.5	0.15%	0.03%	0.33
Learnerships	Number of Black Employees participating in Learnerships or Category B, C and D programmes as a percentage of total employees	3	5.00%	3.43%	2.06
	Number of Black Women Employees participating in Learnerships or Category B, C and D programmes as a percentage of total employees	3	2.50%	2.38%	2.86
					11.27

Table 51: Skills Development

Preferential Procurement

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Procurement Spend	B-BBEE Spend on all Suppliers based on the B-BBEE Procurement Recognition Levels as a Percentage of Total Procurement Spend	12	50.00%	41.21%	9.89
	B-BBEE Procurement Spend from Qualifying Small Enterprises or Exempted Micro-Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	3	10.00%	21.09%	3.00
	B-BBEE Procurement Spend as a percentage of Total Measured Procurement Spend from suppliers that are 50% black owned	3	9.00%	22.79%	3.00
	B-BBEE Procurement Spend as a percentage of Total Measured Procurement Spend from suppliers that are 30% Black Women Owned	2	6.00%	3.68%	1.23
					17.12

Table 52: Preferential Procurement

Enterprise Development (ED)

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
ED Contributions	Investment in Black Owned Enterprises as identified in the "Benefit Factor Matrix" (Annexure 600A) as a percentage of Net Profit After Tax	15	3.00%	1.15%	5.73

Table 53: Enterprise Development

Socio-Economic Development (SED)

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
SED Contributions	Average annual value of all qualifying SED Contributions made by the Measured Entity as a percentage of NPAT	6	1.00%	3.36%	6.00
					6.00

Table 54: Socio-Economic Development

Youth Employment Service Initiative (Y.E.S)

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Y.E.S - Bonus Points	Achieved 1.5 x Y.E.S Employment Target	3	100.00%	0.00%	0.00
	Achieved 2 x Y.E.S Absorption Target		2.50%	0.00%	
					0.00

Table 55: Employment Service Initiative (Y.E.S)

Total BEE Score	**87.25 Points**
BROAD BASED CONTRIBUTION LEVEL	**LEVEL 2**
VALUE ADDING SUPPLIER	**NO**
ENTERPRISE DEVELOPMENT BENEFICIARY	**NO**
PROCUREMENT LEVEL	**125%**
YOUTH EMPLOYMENT SERVICE	**NO**

PART F

FINANCIALS

Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

Report of the Auditor-General to Parliament on the South African Civil Aviation Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African Civil Aviation Authority (SACAA) set out on pages 173 to 213, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the SACAA as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act (PFMA) of South Africa, Act 01 of 1999.

Basis of opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISA). My responsibilities under those standards are further described in the responsibilities of the Auditor-General South Africa (AGSA) for the audit of the financial statements section of my report.

4. I am independent of the public entity 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.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of financial statements in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act (PFMA) of South Africa, Act 01 of 1999;and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity'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 public entity or to cease operations or has no realistic alternative but to do so.

Report of the Auditor-General to Parliament on the South African Civil Aviation Authority

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

8. 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.

9. 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 157 of the annexure to the auditor's report, forms part of our auditor's report.

Report on the annual performance report

10. 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I selected the following material performance indicators related to Outcome 1: *Strengthened safety and security oversight* presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
    - Percentage Industry Cyber Security Strategy Implemented.
    - Percentage Civil Aviation Safety Plan implemented.
    - Percentage Risk-based oversight model implemented.
    - Civil Aviation Pandemic Preparedness project plan (CAPPP) implemented.
    - Percentage ICAO USAP CMA CAP implemented.
    - ICAO USOAP CMA Audit Conducted.
    - Development of ICAO USOAP CMA Corrective action plan.
    - Percentage GA Safety Strategy implemented.

12. I evaluated the reported performance information for the selected material performance indicators 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 public entity's planning and delivery on its mandate and objectives.

Report of the Auditor-General to Parliament on the South African Civil Aviation Authority

13. I performed procedures to test whether:
    - The indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
    - All the indicators relevant for measuring the public entity'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 presented in the annual performance report in the prescribed manner and is comparable and understandable.
    - There is adequate supporting evidence for the achievements reported.

14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Report on compliance with legislation

16. 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 authority is responsible for the public entity's compliance with legislation.

17. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the AGSA. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

18. 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 public entity, 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.

19. I did not identify any material non-compliance with the selected legislative requirements.

Report of the Auditor-General to Parliament on the South African Civil Aviation Authority

Other information in the annual report

20. The accounting authority 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 material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.

21. My opinion on the financial statements, the report 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.

22. 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 material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

23. I have nothing to report in this regard.

Internal control deficiencies

24. 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.

25. I did not identify any significant deficiencies in internal control.

Auditor General

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity'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 public entity'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 public entity 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 public entity 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 authority 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 authority 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 (PFMA)	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2) (c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1) Section 57(b);
Treasury regulations	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a); 16A6.2(b); 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.3; 16A.8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.2.1 Treasury Regulation 33.1.1; 33.1.3

Legislation	Sections or regulations
Companies Act	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4) Section 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Instruction notes	National Instruction No. 4 of 2015/16- Paragraph 3.4 National Treasury SCM Instruction No. 4A of 2016/17- Paragraph 6 National Treasury instruction No 5 of 2020/21- Paragraph 4.8; 4.9; 5.3 Erratum National Treasury Instruction No. 5 of 2020/21- Paragraph 2 Second amendment National Treasury Instruction No. 5 of 2020/21- Paragraph 1 National Treasury SCM Instruction No. 11 of 2020/21- Paragraph 3.4(a); 3.4(b); 3.9 National Instruction No. 1 of 2021/22- Paragraph 4.1 National Treasury SCM Instruction No. 2 of 2021/22- Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1 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
Practice notes	Practice Note 5 of 2009/10- Paragraph 3.3 Practice note 7 of 2009/10- Paragraph 4.1.2 Practice note 11 of 2008/9- Paragraph 2.1; 3.1 (b)

Legislation	Sections or regulations
Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)

Accounting Authority's responsibilities and Approval

The SACAA Board is required by the Public Finance Management Act, 1999 (Act No 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the state of affairs of the SACAA as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the SACAA and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or fraud in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the SACAA and all employees are required to maintain the highest ethical standards in ensuring the SACAA's business is conducted in a manner that in all reasonable circumstances is beyond reproach. The focus of risk management in the SACAA is on identifying, assessing, managing and monitoring all known forms of risk across the SACAA. While operating risk cannot be fully eliminated, the SACAA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management and the oversight performed by the ARC that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or error.

The Board has reviewed the SACAA's cash flow forecast for the year up until 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that the SACAA has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Board is primarily responsible for the financial affairs of the SACAA, and relies on the assurance provided by the external auditors on the annual financial statements. The external auditors are responsible for independently reviewing and reporting on the SACAA's annual financial statements. The annual financial statements have been examined by the SACAA's external auditors and their report is presented on page 153.

Accounting Authority's responsibilities and Approval

The annual financial statements set out on pages 173 to 213, which have been prepared on the going concern basis, were approved by the Board on 30 July 2024 and were signed on its behalf by:

Mr E Khosa
Chairperson: SACAA Board

Mr S Sooklal
Chairperson: Audit and Risk Committee

Ms GNB Khoza
Director of Civil Aviation

Audit and Risk Committee Report (ARC)

We are pleased to present our report for the financial year ended 31 March 2024.

Audit and Risk Committee responsibility

The Audit and Risk Committee (ARC) reports that they have complied with their responsibilities arising from section 50(1) and 51(1) of the PFMA and Treasury Regulations. The Committee further reports that it has adopted appropriate formal terms of reference as its ARC Charter and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The ARC is established as an independent statutory committee in terms of the PFMA and the Civil Aviation Act. The Committee oversees all audit, finance, legal compliance, performance information, information technology, internal audit, combined assurance, business continuity, fraud and corruption and risk matters for the SACAA; however, the Board is ultimately accountable for performance information, legal compliance, financial and risk management.

The Audit and Risk Committee for the year ended 31 March 2024 comprised of three non-executive members and an independent specialist member. The independent member was appointed in November 2020 and re-appointed on 1 June 2022 by the Board. The committee is chaired by an independent non-executive member, Mr Surendra Sooklal. It is reported that Ms Koyana and Ms Phewa, both of whom were members on 1 April 2023, were retired from the ARC on 31 July 2023. On 1 August 2023 Adv. M Lebakeng and Mr T Peege were appointed. The ARC membership was confirmed by the Executive Authority at the AGM held on 25 September 2023. The Director of Civil Aviation, Chief Financial Officer, Chief Audit Executive, Executive: Corporate Services and the Auditor-General of South Africa (AGSA) all have a standing invitation to the ARC meetings. The appointment of the ARC members is confirmed annually at the Annual General Meeting (AGM) by the Executive Authority.

On an annual basis, the ARC assesses the effectiveness of the Internal Audit activity against the criteria outlined below:

- Achievement of the annual Internal Audit Plan;
- Compliance with the Institute of Internal Auditors' professional standards;
- Achievement of reporting protocols through management to the audit and risk committee;
- Timeliness of reporting of findings and activities;
- Responsiveness to the changing business and operational environment;
- Management's acceptance and closure of the internal audit findings;
- Quality and relevance of the annual assessment reports;
- Level of co-operation and interaction with other assurance providers within the agreed combined assurance approach;
- Maintenance of adequate staffing and resource levels to achieve the annual Internal Audit Plan outcomes and meet the requirements of the Internal Audit Charter; and
- Meeting the budget allocated to the internal audit function.

During the period under review, the Committee held five scheduled meetings, and four special meetings. The purpose of the special meetings was to consider the internal audit and forensic plans, policies, ENE budgets, tenders and APP deliverables. The Chairperson of the Committee reports to the Board quarterly, regarding the Committee's deliberations, decisions and recommendations. In addition, the Committee also reports quarterly to the Executive Authority.

Audit and Risk Committee Report (ARC)

Attendance of ARC meetings by members

Mr S Sooklal	9 out of 9
Ms B Koyana (retired on 31 July 2023)	4 out of 4
Ms T Phewa (Retired on 31 July 2023)	4 out of 4
Ms Z Nkosi	9 out of 9
Adv M Lebakeng (Appointed on 01 August 2023)	6 out of 6
Mr T Peege (Appointed on 01 July 2023)	6 out of 6

Work of the committee in 2023/2024

The ARC submits this report for the financial year ended 31 March 2024, as required by Treasury Regulations 27.1.7 and 27.1.10(b) and (c) issued in terms of section 51(1)(a)(ii) and 76(4)(d) of the PFMA.

During the period under review, the Committee is satisfied that it has fulfilled its statutory duties and responsibilities as required by the PFMA and Treasury Regulations, as well as various additional responsibilities assigned to it by the Board. The Committee's activities are also guided by its Terms of Reference which are annually reviewed and approved by the Board.

The effectiveness of internal control and risk management

Internal Audit provides the ARC with reasonable assurance regarding the adequacy and effectiveness of internal controls across all significant areas of the entity. This assurance is delivered through the development of a risk-based Annual Internal Audit Plan. Additionally, Internal Audit ensures that management implements appropriate corrective actions in response to findings outlined in final internal audit reports. Furthermore, during individual audits, Internal Audit recommends areas of improvements to the control environment and processes.

Based on reviews from both internal and external auditors, issues highlighting deficiencies in the internal control system have been communicated to management, and necessary corrective actions have been implemented. Therefore, we can confirm that the systems of internal control over financial reporting during the period under review were deemed to be adequate and effective.

Section 51(1)(a)(i) of the PFMA states that the Accounting Authority must ensure that the SACAA maintains an effective, efficient and transparent system of financial, risk management and internal control.

The ARC is responsible for overseeing risk management and ensuring that the internal audit function is independent and has the necessary resources, authority and skills to discharge its responsibility effectively. Reviews on the effectiveness of the internal controls were conducted and they covered financial, operational, compliance and risk assessments.

During the year under review, the Committee conducted the following activities.

Reviewed and recommended the following matters to the Board for approval:

- Quarterly risk reports containing potential and emerging risks and opportunities aligned to the SACAA's strategic plan;
- Quarterly PFMA compliance reports;
- Quarterly finance and materiality reports;
- Quarterly performance management reports;
- The SACAA's policies on fraud and corruption, bank and cash, investment, telephone & cell phones and security;
- The risk assessment and risk management, including fraud risks and information technology risks;
- The Medium-Term Expenditure Framework and the Estimates of National Expenditure for the ensuing periods;
- The draft Annual Report 2022/23;
- Revision of the Delegation of Authority ;
- Review of the supply chain, other financial, risk, internal audit, fraud and legal compliance policies; and
- The ICT strategy, and the Cyber Security Strategy and threat assesments amongst others.

Audit and Risk Committee Report (ARC)

Reviewed and approved the following quarterly reports:

- Information and Communication Technology;
- Combined assurance reports;
- Materiality reports;
- Legal compliance, litigation and fraud incidents; and
- Oversight on capex projects.

Evaluation of the annual financial statements

The ARC reviewed the annual financial statements for the 2023/24 Financial Year of the SACAA and is satisfied that they comply with the accounting standards and that the accounting policies used are appropriate and consistent. The annual financial statements were reviewed with the following focus:

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Calculation and levels of general and specific provisions;
- Write-offs and reserve transfers; and
- The basis for the going concern assumption.

Financial reporting

In addressing our key objective, which is to assist the SACAA through the Board, in ensuring the integrity of its financial statements, we reviewed the financial statements with both management and the external auditor, concentrating on:

- Compliance with financial reporting standards and governance reporting requirements;
- Significant financial reporting judgments and estimates to be made in applying accounting policies;
- The appropriateness of and any changes to accounting policies;
- Significant adjustments resulting from the audit;
- Compliance with legal requirements and accounting standards;
- Reasons for year-on-year fluctuations;
- The procedures and controls around estimates that are key to applying accounting policies; and
- Whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides information necessary for stakeholders to assess the entity's business model, strategy and performance.

The Committee's primary focus during the period was on safeguarding the integrity of the SACAA financial reporting, enhancing the framework of financial controls, and evaluating the accuracy and fairness of the financial statements.

Audit and Risk Committee Report (ARC)

Internal Audit

The Internal Audit Department is responsible for providing professional, independent and objective assurance on the adequacy and effectiveness of the internal control environment across all the significant areas of the SACAA's operations and assist the SACAA in achieving its set objectives.

Key activities of Internal Audit are:

- To develop and implement a three-year risk-based internal audit plan which takes into account risks and concerns identified and raised by management and those raised by the ARC Committee. The plan is submitted to the ARC for approval;
- To build and enhance the skills level of audit staff with knowledge to assist them in the execution of planned audits; and
- To provide optimal audit coverage by considering the scope of work of the external auditors and other assurance providers within the SACAA as per the Combined Assurance Framework.

The Internal Audit Department completed all planned audits and allocated ad-hoc assignments for the period under review.

The ARC is responsible for ensuring that the Internal Audit Function is independent and has the necessary resources, standing and authority within the SACAA to enable the Function in discharging its duties. Furthermore, the ARC oversees co-operation between the internal and external auditors and serves as a link between the Board and these two functions.

Internal Audit's activities are measured against the approved risk-based annual internal audit plan and the Chief Audit Executive tables progress reports in this regard to the ARC on a quarterly basis.

During the reporting period the ARC reviewed and approved/noted the following matters:

- The risk-based annual internal audit plan and the three-year risk-based internal audit rolling plan;
- Progress reports on the closure of the internal audit findings;
- Internal audit's quarterly reports in line with the approved internal audit plan; and
- Internal audit charter for the 2023/2024 financial year.

The ARC has formed an opinion that adequate, objective internal audit policies and procedures exist within the SACAA and that the SACAA's Internal Audit Department has complied with the International Standards for the Professional Practice of Internal Auditing, the required legal, regulatory and other responsibilities as stipulated in its Charter during the period under review. We are satisfied that the Internal Audit Function is operating effectively, and that it has addressed the risks pertinent to the SACAA in its internal audit engagements.

Whistle-blowing

In compliance with the Protected Disclosures Act, 2000, the SACAA has established and maintains an independent fraud hotline service. The ARC wishes to report that, for the financial year under review, it received and dealt with all concerns or complaints, whether from within or outside of the SACAA.

The ARC also discusses reports from the whistle-blowing hotline through reports presented by Internal Audit Division's Forensic Services Department. The ARC receives regularly progress reports on the status of the investigations, and the Committee ensured, that the necessary

Audit and Risk Committee Report (ARC)

corrective actions were taken by management. The Committee in the year under review also reviewed and approved the Fraud and Corruption Prevention and Investigation Policies and the Annual Forensic: Fraud and Corruption Prevention Plan.

The quality of management and quarterly reports submitted in terms of the PFMA

The ARC is satisfied that it received sufficient, reliable, and timely information from management in order to enable it to fulfill its responsibilities. During the year under review, quarterly management reports were presented by management to enable the Committee to:

- Monitor the integrity, accuracy and reliability of the financial position of the SACAA;
- Review the management accounts of the SACAA to provide the Accounting Authority with an authoritative and credible view of the entity's financial position.
- Review the disclosures made in the financial reports of the SACAA and the context in which statements on the financial health of the entity are made; and
- Review all material information presented together with the management accounts.

The quality of budgets submitted in terms of the PFMA

The ARC is satisfied that it received sufficient, reliable, and timely information that enabled it to:

- Review and ensure that the annual budgets are balanced, credible and realistic against the approved business plans; and
- Monitor and periodically review the implementation of the approved budget by the Accounting Authority.
- Risk Management and Combined Assurance

The committee acknowledges significant improvements in the implementation of the risk management policy, framework, plans, and the combined assurance model. The combined assurance providers consistently achieve synergy among the diverse assurance providers, demonstrating sustained collaborative efforts to ensure comprehensive assurance coverage. The ARC diligently oversaw the execution of the combined assurance plan, ensuring cohesive coordination and alignment of assurance activities across multiple lines of defence. This approach ensures that assurance efforts are sufficiently robust and resource-efficient.

Auditor-General of South Africa (AGSA)

The ARC has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

The ARC monitored the implementation of the action plan to address matters arising from the management report issued by the AGSA for the 2022/2023 financial year. It is reported that there were no findings in the 2022/2023 financial year.

The Auditor-General has unrestricted access to the SACAA's records and management and furnishes a written report to the Committee on significant findings arising from the annual audit and can raise matters of concern directly with the Chairman of the Committee.

Audit and Risk Committee Report (ARC)

The ARC concurs with and accepts the conclusions and the audit opinion of the Auditor-General South Africa on the annual financial statements and is of the view that the audited financial statements be accepted and read together with the report of the Auditor-General of South Africa.

Mr S Sooklal
Chairperson of the Audit and Risk Committee (ARC)
Date:

Accounting Authority's Report (ARC)

The Board submit their report for the year ended 31 March 2024.

1. Introduction

The Board presents its twenty-sixth Annual Report in terms of the Civil Aviation Act, 2009 (Act No.13 of 2009), (previously governed by the South African Civil Aviation Authority (Act No.40 of 1998)) and the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), which forms part of the audited annual financial statements for the year ended 31 March 2024.

2. Principal activities

Main business and operations

The South African Civil Aviation Authority (SACAA) is a statutory body which has the primary focus to control and regulate civil aviation in the Republic of South Africa and to oversee the functioning and development of the civil aviation industry.

The Civil Aviation Act, 2009, read in conjunction with the South African Civil Aviation Authority Levies Act, 1998 (Act No. 41 of 1998), enables the SACAA to charge a passenger safety charge on scheduled operations, a fuel levy on non-scheduled operations and general aviation, and charges for services rendered to the aviation industry, allowing it to generate revenue to fund its operations.

The operating results and state of affairs of the SACAA are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The SACAA recorded a net surplus of R50 080 431 for the year ended 31 March 2024 (2023: R89 234 959)

3. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary cause of business.

Management is of the view that the SACAA will continue as a going concern for the foreseeable future as it has sufficient available reserves currently as well as financial support from its Executive Authority, the Department of Transport for the next three financial years. It is noted that conditions in the aviation industry continues to improve.

4. Events after the reporting date

The Board is not aware of any significant events that occurred after the reporting date that were not adjusted or disclosed in the annual financial statements. Furthermore, management is not aware of any circumstances that exist that would impede the SACAA's ability to continue as a going concern.

5. Accounting policies

The annual financial statements are prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations of such Statements issued by the Accounting Standards Board as the prescribed framework by National Treasury.

Accounting Authority's Report (ARC)

6. Accounting Authority

The Board of the SACAA during the year and to the date of this report are as follows:

Name	
Mr E Khosa (Chairperson)	Reappointed 01 June 2022
Mr S Sooklal	Reappointed 01 June 2022
Ms T Phewa	Reappointed 01 June 2022
Ms GB Koyana	Reappointed 01 June 2022
Mr T Peege	Appointed 23 June 2023
Adv M Lebakeng	Appointed 23 June 2023
Ms GNB Khoza	Reappointed 01 December 2023

7. Company Secretary

The secretary of the SACAA is Ms N Naraindath of:

Business address	Ikhaya Lokundiza Building 16, Treur Close Waterfall Park, Bekker Street Midrand 1685
Postal address	Private Bag X73 Halfway House 1685

8. Interest of board members

The Board members have, at each Board meeting, confirmed that they had no material personal interests in any transactions of any significance with the SACAA. The Board members are required to sign a declaration of interest at every meeting attended. In addition, they are required to declare any interests in contracts annually. Accordingly, no conflict of interest with regard to directors' interests in contracts was reported. There was no change in directors' interests in contracts in the period between the financial year end and the date of signature of this report.

9. Corporate governance

General

The Board is committed to integrity, transparency and professionalism in all its activities. As part of this commitment, the Board supports the highest standards of corporate governance and the ongoing development of best practice.

The Board confirms and acknowledges its responsibility to apply the principles set out in the King IV Report on Corporate Governance for South Africa 2016. The Board discusses the responsibilities of management in this respect at Board meetings and monitors the SACAA's compliance with the relevant legislative prescripts.

The salient features of the SACAA's adoption of King IV are outlined below:

Board of directors

The Board is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Board:

- Retains full control over the SACAA, its plans and strategy;
- Acknowledges its responsibilities as to strategy, compliance with internal policies, laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the SACAA;
- Is of a unitary structure comprising:
  * Five (5) non-executive directors, all of whom are independent directors as defined in King IV
  * One (1) non-executive director appointed as a representative of the Executive Authority
  * One (1) executive director
  * There is currently one (1) vacancy for non-executive directors and the Executive Authority is in the process of filling the vacant position.

Accounting Authority's Report (ARC)

Chairperson and Director of Civil Aviation

The Chairperson is a non-executive and independent director as defined in King IV.

The roles of Chairperson and Director of Civil Aviation are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Remuneration

The Director of Civil Aviation is appointed by the Minister of Transport, who is the Executive Authority of the SACAA. In terms of the Civil Aviation Act, the Executive Authority determined the remuneration of the Director of Civil Aviation upon initial appointment. The Board determines the Remuneration Policy and Strategy of the SACAA.

Board meetings

In terms of the Board Charter, the Board meets at least five times per annum, and during the year under review met nine times. In addition it has also held strategic planning and risk sessions.

Non-executive directors have access to members of management of the SACAA.

10. Auditors

In terms of the Public Audit Act, 2004 (Act No. 24 of 2004), as amended by the Public Audit Act, No. 5 of 2018, section 4 (3) provides that the Auditor-General may audit and report on the accounts and annual financial statements.

The Executive Authority confirmed the appointment of the Auditor-General as the external auditors of the SACAA at the Annual General Meeting held on 25 September 2023.

11. Number of Employees

The number of employees as at 31 March 2024 was 601 (2023: 570) which includes permanent, fixed term, interns, trainees, bursars, learnerships and contract employees.

12. Materiality Framework

In terms of Treasury Regulations 28 (3) of the PFMA, the Board must develop and agree on a framework of acceptable levels of materiality and significance with the relevant Executive Authority. This is agreed annually with the Executive Authority as part of the Board Performance Agreement.

The SACAA has developed a materiality framework whereby all material and significant information is disclosed to the ARC, the Board and the Executive Authority on a quarterly basis.

Company Secretary's Certification

In my capacity as Company Secretary, I hereby confirm that the SACAA has lodged all returns as required by Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended, for the year ended 31 March 2024.

Ms N Naraindath
Company Secretary
Ikhaya Lokundiza, Midrand

Statement of Financial Position as at 31 March 2024

	Note(s)	2024	2023
Assets			
Current Assets			
Cash and cash equivalents	3	540 785 039	470 929 556
Statutory receivables	4	62 314 182	53 322 083
Receivables from exchange transactions	5	28 481 654	24 393 147
Consumable stores	6	308 426	591 269
		631 889 301	**549 236 055**
Non-Current Assets			
Property, plant and equipment	7	20 734 995	19 066 148
Intangible assets	8	57 055 646	61 478 659
		77 790 641	**80 544 807**
Total Assets		**709 679 942**	**629 780 862**
Liabilities			
Current Liabilities			
Trade and other payables	10	82 313 649	64 700 009
Operating lease liability	11	1 669 728	547 871
Provisions	12	86 370 725	75 287 573
Total Liabilities		**170 354 102**	**140 535 453**
Total Net Assets		**539 325 840**	**489 245 409**

Statement of Financial Performance

	Note(s)	2024	2023
Revenue			
Revenue from exchange transactions			
Interest revenue	14	42 307 044	24 045 477
Other revenue	15	5 372 595	7 239 384
Gain on disposal of assets		-	412 076
Bad debts recovered	19	142 509	142 509
Total revenue from exchange transactions		**47 822 148**	**31 839 446**
Revenue from non-exchange transactions			
Revenue from non exchange transactions	16	878 056 556	853 776 405
Total revenue		**925 878 704**	**885 615 851**
Expenditure			
Personnel cost	17	(601 756 691)	(557 982 456)
Operating expenses	18	(227 721 494)	(188 276 058)
Depreciation and amortisation		(12 888 141)	(9 070 058)
Lease rentals on operating lease		(32 832 402)	(33 177 775)
Decrease/(Increase) in debt impairment provision	19	861 214	(5 137 439)
Bad debts written off	19	(1 276 067)	(2 737 106)
Loss on disposal of assets		(184 692)	-
Total expenditure		**(875 798 273)**	**(796 380 892)**
Surplus for the year		**50 080 431**	**89 234 959**

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Balance at 01 April 2022	**400 010 450**	**400 010 450**
Changes in net assets		
Surplus for the year	89 234 959	89 234 959
Total recognised surplus for the year	89 234 959	89 234 959
Balance at 01 April 2023	**489 245 409**	**489 245 409**
Changes in net assets		
Surplus for the year	50 080 431	50 080 431
Total recognised surplus for the year	50 080 431	50 080 431
Balance at 31 March 2024	**539 325 840**	**539 325 840**

Cash Flow Statement

	Note(s)	2024	2023
Cash flows from operating activities			
Receipts			
Receipts from customers and Department of Transport		870 076 201	847 941 586
Interest income		42 307 044	24 045 477
		912 383 245	871 987 063
Payments			
Payments made to suppliers and employees		(832 209 095)	(734 047 693)
Net cash flows from operating activities	22	**80 174 150**	**137 939 370**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(9 330 391)	(7 087 604)
Proceeds from sale of property, plant and equipment		150 643	1 196 520
Purchase of intangible assets	8	(1 138 919)	-
Net cash outflows from investing activities		**(10 318 667)**	**(5 891 084)**
Net increase in cash and cash equivalents		**69 855 483**	**132 048 286**
Cash and cash equivalents at the beginning of the year		470 929 556	338 881 270
Cash and cash equivalents at the end of the year	3	**540 785 039**	**470 929 556**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref.
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Interest revenue	21 067 369	20 107 924	**41 175 293**	42 307 044	**1 131 751**	
Other revenue	1 285 297	1 892 076	**3 177 373**	5 372 595	**2 195 222**	31
Bad debts recovered	-	-	**-**	142 509	**142 509**	31
Total revenue from exchange transactions	**22 352 666**	**22 000 000**	**44 352 666**	**47 822 148**	**3 469 482**	
Revenue from non-exchange transactions						
Transfer revenue						
Passenger safety charge	570 891 062	(11 504 000)	**559 387 062**	562 458 170	**3 071 108**	31
User fees	142 382 503	7 645 589	**150 028 092**	150 789 372	**761 280**	
Fuel levy	32 454 164	-	**32 454 164**	38 464 014	**6 009 850**	31
Department of Transport	126 345 000	-	**126 345 000**	126 345 000	**-**	
Total revenue from non-exchange transactions	**872 072 729**	**(3 858 411)**	**868 214 318**	**878 056 556**	**9 842 238**	
Total revenue	**894 425 395**	**18 141 589**	**912 566 984**	**925 878 704**	**13 311 720**	
Expenditure						
Personnel costs	(622 459 361)	3 019 000	**(619 440 361)**	(601 756 691)	**17 683 670**	31
Operating expenses	(211 064 823)	(21 314 959)	**(232 379 782)**	(227 721 494)	**4 658 288**	31
Depreciation and amortisation	(18 802 005)	4 000 000	**(14 802 005)**	(12 888 141)	**1 913 864**	31
Lease rentals on operating lease	(42 099 206)	8 000 000	**(34 099 206)**	(32 832 402)	**1 266 804**	
Debt Impairment	-	-	**-**	861 214	**861 214**	31
Bad debts written off	-	-	**-**	(1 276 067)	**(1 276 067)**	31
Loss on disposal of assets	-	-	**-**	(184 692)	**(184 692)**	31
Total expenditure	**(894 425 395)**	**(6 295 959)**	**(900 721 354)**	**(875 798 273)**	**24 923 081**	
Surplus for the year	**-**	**11 845 630**	**11 845 630**	**50 080 431**	**38 234 801**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**11 845 630**	**11 845 630**	**50 080 431**	**38 234 801**	

Accounting Policies

1. Presentation of Annual Financial Statements

1.1 Basis of preparations

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 55 of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand, which is the functional currency of the SACAA.

A summary of significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the SACAA will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgments and accounting estimates

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgments include:

Loans and receivables

The SACAA assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the SACAA makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Management has applied judgement in estimating the extent of any impairment deemed necessary on the gross carrying value of loans and receivables and has impaired all doubtful accounts in arrears for a period longer than normal expected trading terms. The impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the SACAA for similar financial instruments.

Impairment testing

A cash-generating or non-cash generating asset is impaired when the carrying amount of the asset exceeds its recoverable amount. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then have an impact on our estimations and may then require a material adjustment to the carrying value of tangible assets.

The SACAA reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level at which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment

Accounting Policies

1.3 Significant judgments and accounting estimates (continued)

may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Useful lives of property, plant and equipment

The SACAA's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on industry norms. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

In estimating the useful lives of the assets, management assesses the present status of the assets and the expected future benefits associated with the continued use of the assets.

Provisions

Provisions were raised and management determined an estimate based on the information available, as well as past experience.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The major components are depreciated separately over their useful lives.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of it.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Accounting Policies

1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

	2024	2023
Leasehold improvement	period of lease	period of lease
Furniture and fixtures	5 - 27 years	6 - 27 years
Motor vehicles	6 - 10 years	6 - 10 years
Computer equipment	5 - 22 years	5 - 20 years
Generator	15 years	15 years
Canteen equipment	6 - 14 years	6 - 14 years

The assets' residual values, useful lives and depreciation methods are reviewed at the end of each reporting date and change(s) are accounted for as a change in accounting estimate in accordance with the relevant standard of GRAP.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An asset is identifiable if it either:

- Is separable, i.e. is capable of being separated or divided from the SACAA and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the SACAA intends to do so; or
- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the SACAA or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the SACAA; and
- the cost or fair value of the asset can be measured reliably.

The SACAA assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits.

Accounting Policies

1.5 Intangible assets (continued)

Amortisation is provided to write off the cost of the intangible assets over their estimated useful lives, using the straight-line method.

	2024	2023
Computer software	5 - 25 years	5 - 25 years

Intangible assets are derecognised:

- On disposal; or
- When no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised. The gain or loss arising from the derecognition of an item of intangible assets is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Financial instruments

Classification

The SACAA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Statutory receivables	Financial asset measured at amortised cost
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The SACAA has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost
Operating lease liability	Financial liability measured at amortised cost

Initial recognition

The SACAA recognises a financial asset or a financial liability in its statement of financial position when the SACAA becomes a party to the contractual provisions of the instrument.

The SACAA recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The SACAA measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The SACAA measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Accounting Policies

1.6 Financial instruments (continued)

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The SACAA assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Objective evidence of impairment includes:

- Long overdue amounts for which further collection procedures have been regarded as uneconomical;
- Information received about the debtor indicating their inability to settle the debt; or
- Legal action has been instituted to recover the amount owing.

Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The SACAA derecognises a financial asset only when:

- The contractual rights to the cash flows from the financial asset expire, are settled or waived;
- The SACAA transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- The SACAA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the SACAA:
    - Derecognise the asset; and
    - rRecognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The SACAA removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled, expires or is waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing

Accounting Policies

1.6 Financial instruments (continued)

financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the SACAA currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.7 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Statutory receivables are made of the following:

Passenger safety charge

The passenger safety charge is levied in accordance with the provisions of section 74(1)(b) of the Civil Aviation Act, 2009 (Act No. 13 of 2009) read with Part 187, Sub Part 2 of the Civil Aviation Regulations, 2011. The charge is collected by airlines from passengers on commercial flights departing from an airport within the Republic of South Africa on a scheduled passenger flight or part of a flight to a destination within or outside the country. The passenger safety charge tariff is approved annually by the Minister of Transport with the concurrence of the Minister of Finance. The collected charges are paid over to the SACAA on a monthly basis.

User fees

The user fees are levied in accordance with the provisions of section 74(1)(a) of the Civil Aviation Act, 2009 (Act No. 13 of 2009) read with Part 187, Sub Part 1 of the Civil Aviation Regulations, 2011. These are charged on amongst others for aviation regulatory related exemptions, certificates, authorisation, licences and registrations. The user fee tariff is approved annually by the Minister of Transport with the concurrence of the Minister of Finance.

Accounting Policies

1.7 Statutory receivables (continued)

Fuel levy

Government Notice R307 of 13 April 2012 provides notice containing the terms and conditions relating to the payment of the aviation fuel levy in terms of section 2 of the South African Civil Aviation Authority Levies Act, 1998 (Act No. 41 of 1998) read in conjunction with section 74(1)(g) of the Civil Aviation Act, 2009 (Act No. 13 of 2009). The levy is based on litre of aviation fuel sold by fuel wholesalers to general aviation, cargo and charter operators within the Republic of South Africa. The fuel levy tariff is approved annually by the Minister of Transport with the concurrence of the Minister of Finance. The collected levies are paid over to the SACAA on a monthly basis.

Recognition

The SACAA recognises statutory receivables as follows:

- If the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- If the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (taxes and transfers); or
- If the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the SACAA and the transaction amount can be measured reliably.

Initial measurement

The SACAA initially measures statutory receivables at their transaction amount.

Subsequent measurement

The SACAA measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable (where applicable);
- Impairment losses; and
- Amounts derecognised.

Accrued interest

Where the SACAA levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers), whichever is applicable.

The SACAA levies interest at prime plus two percentage points.

Other charges

Where the SACAA is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the SACAA applies the principles as stated in “Accrued interest” above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The SACAA assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the SACAA considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.

Accounting Policies

1.7 Statutory receivables (continued)

- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the SACAA measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced directly. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, the SACAA considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the SACAA discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted directly. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The SACAA derecognises a statutory receivable, or a part thereof, when:

- The rights to the cash flows from the receivable are settled, expire or are waived;
- The SACAA transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- The SACAA, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the SACAA:
  - Derecognise the receivable; and
  - Recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date.

The SACAA considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Accounting Policies

1.8 Leases (continued)

When a lease includes both land and buildings elements, the SACAA assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The operating lease liability is derecognised when the SACAA's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the SACAA no longer anticipates economic benefits to flow from the asset.

1.9 Consumable stores

Consumable stores are initially measured at cost except where consumable stores are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Consumable stores comprise of Identity Document license cards held for issuance to the aviation stakeholders and various people in the aviation value chain.

Subsequently consumable stores are measured at the lower of cost and net realisable value.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- The period of time over which an asset is expected to be used by the SACAA; or
- The number of production or similar units expected to be obtained from the asset by the SACAA.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The SACAA assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the SACAA estimates the recoverable amount of the asset.

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The SACAA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the SACAA estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- The period of time over which an asset is expected to be used by the SACAA; or
- The number of production or similar units expected to be obtained from the asset by the SACAA.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The SACAA assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the SACAA estimates the recoverable service amount of the asset.

Reversal of an impairment loss

The SACAA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the SACAA estimates the recoverable service amount of that asset.

Accounting Policies

1.11 Impairment of non-cash-generating assets (continued)

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.12 Employee benefits

Employee benefits are all forms of consideration given by the SACAA in exchange for services rendered by employees.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- Salaries and social security contributions;
- Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- Bonus, incentive and performance-related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- Non-monetary benefits (for example, medical care, cell phones and employee wellness) for current employees.

When an employee has rendered service to the SACAA during a reporting period, the SACAA recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the SACAA recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- As an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The SACAA measures the expected cost of accumulating compensated absences as the additional amount that the SACAA expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Accounting Policies

1.12 Employee benefits (continued)

The SACAA recognise the expected cost of bonus, incentive and performance related payments when the SACAA has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the SACAA has no realistic alternative but to make the payments.

Retirement benefits: Defined contribution plans

The SACAA provides retirement benefits for its employees. Defined contribution plans are retirement benefits plans under which the SACAA pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the SACAA during a reporting period, the SACAA recognises the contribution payable to a defined contribution plan in exchange for that service:

- As a liability (accrued expense), after deducting any contribution already paid; and
- As an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

1.13 Commitments

Items are classified as commitments when the SACAA has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments regarding future minimum lease payments, the acquisition of property, plant and equipment and intangible assets.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Commitments are disclosed in note 23.

1.14 Provisions and contingencies

Provisions are recognised when:

- The SACAA has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If the SACAA has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

Accounting Policies

1.15 Revenue recognition from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the SACAA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Other income

Other income comprise of fees that are collected and not related to the mandate of the SACAA.

Interest

Revenue arising from the use by others of the SACAA's assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the SACAA, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.16 Revenue recognition from non-exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Non-exchange transactions are defined as transactions where the SACAA receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settle, between knowledgeable, willing parties in an arms length transaction.

Measurement

The invoice value of sales and services rendered, excluding value-added tax in respect of trading operations, is recognised at the date on which services are provided.

The passenger safety charge is based on the number of passengers on scheduled services departing from all airports in the country. This data is obtained from the scheduled airlines and verified by data received from the airports.

Fuel levies are based on litres of aviation fuel sold by fuel wholesalers and verified biannually by independent external auditors appointed by the SACAA.

Accident and incident investigation fees are received from the Department of Transport on a cost-recovery basis negotiated annually in advance.

User fees are generated from examinations, licence renewals, certifications, airworthiness and calibrations. The revenue is recognised when the service is rendered.

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between

Accounting Policies

1.17 Translation of foreign currencies (continued)

the functional currency and the foreign currency at the date of the transaction.

At each reporting date, foreign currency monetary items are translated using the closing rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) or in contravention of the SACAA's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is disclosed as such in the notes to the annual annual financial statements and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Segment information

A segment is an activity of an entity:

- That generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same SACAA);
- Whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- For which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

The SACAA is a statutory body, which has the primary focus to control and regulate civil aviation in the Republic of South Africa and to oversee the functioning and development of the civil aviation industry. Although revenues do have certain streams, they are not related to any segments or specific divisions within the SACAA. SACAA's expenditure relates mainly to salaries and the rest relates to operational activities and cannot be linked to any specific segments. Resources are not allocated, nor is reporting done or performance measured for any separate activities.

Management is of the opinion that any attempt to divide the SACAA into further separate activities or geographical information will not add any additional value to its stakeholders. The entire SACAA is viewed as a single reportable segment.

1.21 Budget information

The SACAA is typically subject to budgetary limits in the form of appropriations or budget authorisations, which are given effect through authorising legislation.

General purpose financial reporting by the SACAA shall provide information on whether resources

Accounting Policies

1.21 Budget information (continued)

were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 April 2023 to 31 March 2024.

The annual financial statements and the budget are compiled on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

An explanation is provided for all variances between actual and budgeted amounts above 5% or in excess of R2 million in the notes to the annual annual financial statements.

1.22 Related Parties

The SACAA has processes in place to aid in the identification of related parties. Related parties are defined as persons or entities with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or that is subject to common control, or joint control.

The Department of Transport was identified as being able to exercise significant influence over the SACAA. As a result, all other entities under the same influence are regarded as related parties.

1.23 Taxation

The SACAA is exempt from taxation in terms of the provision of section 10 (1) (CA) (i) of the Income Tax Act, 1962 (Act No. 58 of 1962).

Notes to the Annual Financial Statements

	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The SACAA has not applied the following standards and interpretations, which have been published and are mandatory for the SACAA's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104: Financial Instruments	01 April 2025	Not expected to impact results but may result in additional disclosure

3. Cash and cash equivalents

	2024	2023
Cash and cash equivalents consist of:		
Bank balances	6 965 319	4 209 497
Short-term deposits with commercial banks	103 069 199	255 478 869
Short-term deposit with Corporation for Public Deposit (CPD)	430 750 521	211 241 190
	540 785 039	470 929 556

Credit quality of cash at bank and short term deposits, excluding cash on hand

Bank balances and short-term deposits are held at financial institutions which have a credit rating of an acceptable investment grade. Cash and cash equivalents attract interest at variable rates linked to prime.

4. Statutory receivables

	2024	2023
Trade debtors	78 582 154	70 593 085
Provision for impairment of statutory trade and other receivables	(14 740 162)	(15 601 376)
Unallocated receipts	(1 527 810)	(1 669 626)
	62 314 182	53 322 083

Statutory receivables are carried at cost, which normally approximates their fair value due to the short-term maturity thereof. An adjustment for the impairment of statutory receivables has been made for estimated irrecoverable amounts.

Statutory trade receivable ageing

	2024	2023
Current	54 438 902	48 090 927
0 to 30 days	4 773 563	3 907 031
31 to 60 days	1 491 149	645 638
61 to 90 days	382 915	415 384
over 90 days	17 495 625	17 534 105
	78 582 154	70 593 085

Credit quality of statutory receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates as well as payment history.

None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of statutory receivables

	2024	2023
Statutory receivables	62 314 182	53 322 083

Notes to the Annual Financial Statements

4. Statutory receivables (continued)

The management considers the carrying amount of statutory receivables to approximate fair value.

Statutory receivables past due but not impaired

At 31 March 2024, R 9,405,893 (2023: R 6,906,666) were past due but not impaired. The ageing of amounts past due but not impaired is as follows:

	2024	2023
One month past due	4 717 082	3 899 321
Two months past due	1 486 777	635 146
Three months past due	346 040	389 087
Older than three months past due	2 855 994	1 983 112
	9 405 893	6 906 666

Statutory receivables impaired

As of 31 March 2024, trade and other receivables of R 14 740 162 (2023: R 15 601 376) were impaired and provided for.

The ageing of these receivables is as follows:

	2024	2023
One month past due	59 284	13 595
Two months past due	4 372	10 491
Three months past due	36 875	26 296
Older than three months past due	14 639 631	15 550 994
	14 740 162	15 601 376

Reconciliation of provision for impairment of statutory receivables

	2024	2023
Opening balance	15 601 376	10 463 937
(Decrease)/Increase in Provision for impairment	(861 214)	5 137 439
	14 740 162	15 601 376

Included in debt impairment are amounts owing by Comair R7 167 385, Interface R1 153 564 and other debtors.

Notes to the Annual Financial Statements

5. Receivables from exchange transactions

	2024	2023
Prepayments	17 257 523	14 442 926
Security deposits*	8 189 080	7 739 538
Rental deposits	1 877 961	1 877 961
Accrued Interest	821 913	-
Staff advances	230 993	257 222
Other receivables	104 184	75 500
	28 481 654	24 393 147

*Security deposits relates to funds that was paid to attorneys' interest bearing trust accounts as security for two CCMA arbitration awards that were issued agains the SACAA, which are under review at the Labour Court (Refer to note 24 on contingencies).

Receivables from exchange transactions are carried at cost, which normally approximates their fair value due to the short-term maturity thereof.

As at the end of the year, the other receivables ageing were as follows:

	2024	2023
0 to 30 days	53 684	-
Over 90 days	50 500	75 500
	104 184	75 500

Receivables past due but not impaired

On 31 March 2024, other receivables of R104 184 (2023: R75 500) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	2024	2023
One month past due	53 684	-
Older than three months past due	50 500	75 500
	104 184	75 500

None of the receivables from exchange transactions have been impaired.

6. Consumable stores

	2024	2023
ID licence card consumables	308 426	591 269

Notes to the Annual Financial Statements

Figures in Rands

7. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold improvements	169 253	(116 403)	52 850	169 253	(148 097)	21 156
Furniture and fixtures	18 831 865	(15 103 879)	3 727 986	17 847 326	(13 201 064)	4 646 262
Motor vehicles	5 619 695	(4 165 280)	1 454 415	5 619 695	(3 304 756)	2 314 939
Computer equipment	34 524 376	(19 413 598)	15 110 778	31 345 042	(19 725 384)	11 619 658
Generator	1 097 633	(823 746)	273 887	1 097 633	(750 570)	347 063
Canteen equipment	290 680	(175 601)	115 079	259 367	(142 297)	117 070
Total	60 533 502	(39 798 507)	20 734 995	56 338 316	(37 272 168)	19 066 148

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Leasehold improvements	21 156	-	-	-	31 694	52 850
Furniture and fixtures	4 646 262	1 383 836	(113 151)	216 899	(2 405 860)	3 727 986
Motor vehicles	2 314 939	-	-	-	(860 524)	1 454 415
Computer equipment	11 619 658	7 915 242	(222 184)	(216 899)	(3 985 039)	15 110 778
Generator	347 063	-	-	-	(73 176)	273 887
Canteen equipment	117 070	31 313	-	-	(33 304)	115 079
	19 066 148	9 330 391	(335 335)	-	(7 326 209)	20 734 995

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	49 365	-	-	(28 209)	21 156
Furniture and fixtures	3 666 085	186 629	(10 561)	804 109	4 646 262
Motor vehicles	2 315 757	669 527	(37 125)	(633 220)	2 314 939
Computer equipment	9 800 344	6 143 237	(367 221)	(3 956 702)	11 619 658
Generator	420 238	-	-	(73 175)	347 063
Canteen equipment	21 806	88 211	-	7 053	117 070
	16 273 595	7 087 604	(414 907)	(3 880 144)	19 066 148

Expenditure incurred to repair and maintain property, plant and equipment

	2024	2023
Other operational repairs and maintanance	2 851 415	1 258 617

Notes to the Annual Financial Statements

Figures in Rands

8. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	81 597 614	(32 800 624)	48 796 990	81 726 414	(27 367 492)	54 358 922
Work in progress*	8 258 656	-	8 258 656	7 119 737	-	7 119 737
Total	89 856 270	(32 800 624)	57 055 646	88 846 151	(27 367 492)	61 478 659

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	54 358 922	-	(5 561 932)	48 796 990
Work in progress*	7 119 737	1 138 919	-	8 258 656
	61 478 659	1 138 919	(5 561 932)	57 055 646

Reconciliation of intangible assets - 2023

	Opening balance	Disposals	Transfers	Amortisation	Total
Computer software	54 297 434	(369 537)	5 620 939	(5 189 914)	54 358 922
Work in progress	12 740 676	-	(5 620 939)	-	7 119 737
	67 038 110	(369 537)	-	(5 189 914)	61 478 659

* Work in progress includes Electronic Documents and Records Management System (EDRMS) “Shanduka Project” of R3 908 588 as well as software licence and installation costs of the Enterprise Business System (EBS) of R4 350 068. As the phases of these projects are completed, they are transferred to computer software.

Notes to the Annual Financial Statements

9. Change in estimate

Property, plant and equipment

The revised GRAP 17 - Property, plant and equipment requires the review of the residual value and useful life of an asset at least at each financial year end. The SACAA extended the estimated useful lives of certain assets due to change in expectation relating to the replacement of property, plant and equipment. The revisions were accounted for prospectively as a change in accounting estimate and as a result, the depreciation charges of the SACAA for the current financial year have been decreased by R990 434.

	Before change in estimate	After change in estimate	Change in estimate
Computer equipment	1 395 819	2 702 304	1 306 485
Computer software	154 971	263 932	108 961
Furniture and fixtures	2 681 611	2 203 950	(477 661)
Leasehold improvements	21 157	71 475	50 318
Canteen equipment	30 686	33 017	2 331
	4 284 244	5 274 678	990 434

10. Trade and other payables

	2024	2023
Leave pay accrual	31 424 340	30 800 064
Sundry accruals	25 022 498	15 695 666
Statutory receivables with credit balances	12 356 777	11 817 634
Trade payables	8 021 145	3 858 604
Salary-related accruals	1 913 359	1 756 711
Income received in advance	3 575 530	771 330
	82 313 649	64 700 009

The SACAA does not have any long term liabilities. It currently has sufficient cash reserves to fund its capital and operating expenditure.

11. Operating lease liability

Current liabilities	1 669 728	547 871

12. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
Performance and retention bonus provision	75 287 573	85 000 000	(73 916 848)	86 370 725

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Performance and retention bonus provision	22 490 696	75 000 000	(22 203 123)	75 287 573

The performance and retention bonus provision is calculated in line with the remuneration and retention policies as approved by the Board.

Notes to the Annual Financial Statements

12. Provisions (continued)

The performance bonus provision is calculated based on the performance of the SACAA as well as the individual performance ratings of each employee for the financial year ended 31 March 2024.

Executive management are entitled to a retention bonus payable at a three year cycle of uninterrupted service in SACAA. The retention bonus is calculated at 24% of their prevailing total cost of employment.

Assumptions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessment of the time value of money and the risks specific to the liability.

13. Employee benefit obligation

	2024	2023
The total amount recognised as an expense for defined contribution provident fund	70 793 577	66 944 065

It is the policy of the SACAA to provide retirement benefits to all its employees. The defined contribution provident fund, which is subject to the Pensions Fund Act, 1956 (Act No. 24 of 1956) exist for this purpose.

The SACAA is under no obligation to cover any unfunded benefits.

14. Interest revenue

	2024	2023
Commercial banks	12 223 811	12 405 168
Corporation for Public Deposit	29 513 106	11 241 190
Trade and other receivables	570 127	399 119
	42 307 044	24 045 477

15. Other revenue from exchange transactions

	2024	2023
Sundry income	5 039 155	3 060 435
Sponsorship income*	253 000	4 080 973
Insurance claims received	80 440	97 976
	5 372 595	7 239 384

* Sponsorship income during the prior year included the proceeds of sponsorships and tickets sold for the International Flight Inspection Symposium that was hosted in Durban during June 2022.

Notes to the Annual Financial Statements

16. Revenue from non exchange transactions

	2024	2023
Passenger safety charge*	562 458 170	455 811 640
User fees**	150 789 372	137 639 748
Fuel Levy	38 464 014	33 335 017
Department of Transport***	126 345 000	226 990 000
	878 056 556	853 776 405

* The increase in passenger safety charge in the current year of 23.4% was due to the recovery of the South African aviation industry. The passenger numbers increased by 17%, from 16 550 895 to 19 362 641 in the current year. The tariff for passenger safety charge was increased by 6.5% from R27.54 to R29.33 effective 1 June 2023.

** User fees increased by 9.6% in the current year due to improvement in aviation activities. There was a 5% fee increase effective 1 June 2023.

*** The allocation from Department of Transport includes an amount of R40.5 million for the Accidents and Incidents Investigation Division as well as additional financial support of R85.8 million.

17. Personnel costs

	2024	2023
Basic	387 182 468	361 003 389
Bonus	85 000 000	75 000 000
Pension fund contributions	70 793 577	66 944 065
Medical aid contributions	24 792 624	22 506 219
Other employee benefit cost	21 633 617	19 795 658
Temporary staff	2 436 989	1 998 047
Acting allowances	1 494 180	1 661 524
Leave pay expense	3 574 490	4 312 118
Travel and other allowances	2 120 271	2 058 150
Compensation for occupational injuries and diseases fund	1 568 815	1 555 960
Unemployment insurance fund	1 159 660	1 147 326
	601 756 691	557 982 456

Notes to the Annual Financial Statements

18. Operating expenses

	2024	2023
Aircraft operating expenses	32 203 820	26 144 975
Auditors remuneration (refer to note 21)	3 633 233	2 782 565
Bank charges	588 345	659 061
Bursaries	11 914 465	2 709 421
Cleaning	2 156 641	1 836 743
Conferences, seminars and venue hire	3 958 115	2 879 715
Consulting and professional fees	11 900 764	9 858 620
Consumables	430 005	266 652
Electricity	6 149 445	5 681 061
Fuel and oil	2 438 514	2 096 872
IT expenses	3 159 389	3 962 332
Insurance	4 907 299	3 801 959
Legal Fees	6 043 123	6 128 828
Magazines, books and periodicals	719 461	707 121
Placement fees	825 450	974 439
Postage and courier	733 852	785 477
Printing and stationery	2 192 499	2 198 739
Public relations	5 596 373	4 468 401
Refuse	350 216	129 202
Regulation development	254 490	1 128 383
Repairs and maintenance	2 851 415	1 258 617
Safety and promotion	10 134 719	5 087 454
Security	5 065 163	4 922 469
Skills development levy	5 030 113	4 188 465
Software expenses	38 555 503	35 829 563
Sponsorships	3 017 648	7 465 939
Staff events	5 306 428	2 290 281
Staff welfare	301 203	326 077
Telephone and fax	6 417 837	6 319 918
Training	12 709 320	11 011 244
Travel - domestic	24 741 744	17 515 919
Travel - International	13 124 613	12 456 766
Uniforms	139 609	177 884
Other expenses	170 680	224 896
	227 721 494	188 276 058

Operating expenses increased by 21% in the current year as a result of the increased business activities in the aviation industry as compared to the prior year.

Notes to the Annual Financial Statements

19. Debt impairment

	2024	2023
(Decrease)/Increase in debt impairment provision	(861 214)	5 137 439
Bad debts written off	1 276 067	2 737 106
Bad debts recovered	(142 509)	(142 509)
	272 344	7 732 036

20. Taxation

No provision for taxation has been made, as the SACAA is exempted in terms of section 10 (1) (CA) (i) of the Income Tax Act, 1962 (Act No. 58 of 1962)

21. Auditors' remuneration

	2024	2023
Fees	3 578 221	2 760 241
Reimbursive expenses	55 012	22 324
	3 633 233	2 782 565

22. Cash generated from operations

	2024	2023
Surplus	50 080 431	89 234 959
Adjustments for:		
Depreciation and amortisation	12 888 141	9 070 058
(Gain)/loss on disposal of assets	184 692	(412 076)
Debt impairment and bad debts written off	414 853	7 874 545
Movements in operating lease liability	1 121 857	516 610
Movements in provisions	11 083 152	52 796 877
Changes in working capital:		
Consumable stores	282 843	(79 096)
Statutory receivables	(8 992 099)	(1 183 907)
Movement in debt impairment and bad debts written off	(414 853)	(7 874 545)
Receivables from exchange transactions	(4 088 507)	(4 158 260)
Trade and other payables	17 613 640	(7 845 795)
	80 174 150	137 939 370

23. Commitments

	2024	2023
Authorised capital expenditure		
Authorised and contracted for		
• Property, plant and equipment	3 265 218	362 883
• Intangible assets	37 546 640	6 395 846
	40 811 858	6 758 729
Authorised and not contracted for		
• Property, plant and equipment	151 533 600	143 127 200
Total capital commitments		
Authorised and contracted for	40 811 858	6 758 729
Authorised and not contracted for	151 533 600	143 127 200
	192 345 458	149 885 929

The capital commitment authorised and contracted for in property, plant and equipment is for computer equipment of R96 319, Motor vehicles for R3 130 375 and furniture and fittings for R38 524.

23. Commitments (continued)

The capital commitment authorised and contracted for in intangible assets is for the acquisition of the Enterprise Business System of R6 395 846 and R31 150 794 for Electronic Record Document Management System (Shanduka Project).

The capital commitment authorised and not contracted for in property, plant and equipment is for the acquisition of an aircraft of R151 533 600 for the Flight Inspection Unit (FIU). This increased from R143 127 200 due to the devaluation in the Rand/dollar exchange rate from 17.89 to 18.94

An amount of R306 138 262 has been budgeted for in the 3 year MTEF budget. Included in this amount is the capital expenditure budget for the year ending 31 March 2025 of R95 500 000.

	2024	2023
Operating leases		
Minimum lease payments due		
- within one year	30 744 932	29 093 612
- in second to fifth year inclusive	204 655 512	186 441 780
- later than five years	370 865 521	419 824 185
	606 265 965	635 359 577

Operating lease payments represent rentals payable by the SACAA for certain of its office properties and equipment. Leases are negotiated for an average term of between three to ten years. No contingent rent is payable.

During the previous financial year, a ten year lease contract was signed with Centurion Vision Development (Proprietary) Limited for office rental commencing on 1 April 2025.

24. Contingencies Legal Matters

(i) The SACAA is currently dealing with a litigation matter relating to a civil claim for damages lodged against it. A scheduled airline operator is claiming damages from SACAA and one of its employees to the amount of R180 000 000 because of findings and enforcement decisions taken as a result of their non-compliance with regulatory provisions when conducting their operations.

The enforcement decisions were taken in December 2018 and January 2019. The airline is alleging that they have suffered damages as a result of the administrative decisions carried out by the SACAA.

The SACAA filed both a special plea and plea on 4 October 2023. The airline has filed its replication and the next step is to file the discovery affidavit.

(ii) SACAA is currently dealing with a matter relating to a claim for loss of support and damages against it. SACAA's aircraft was involved in an accident that resulted into untimely passing on of three of its employees. The claim is for a total amount of R19 100 000. The SACAA insurers are dealing with the matter.

The signed Discovery Affidavit was served on the Plaintiffs in July 2023, and they were requested to tender their Discovery Affidavit. The Plaintiffs have since served the signed discovery affidavit. Subsequent to submission it has been discovered that not all documents mentioned in the discovery affidavit were served on our Attorneys. The SACAA Attorneys have since requested the missing documents from the plaintiffs' Attorney.

(iii) The SACAA received summons on and is cited as a second defendant to a claim from a European aircraft owner that purchased an aircraft from a South African Company (first defendant) in 2021. After purchasing and registering the aircraft in Europe, the plaintiffs subsequently discovered defects related to repair work that was performed on the aircraft in 2002. The plaintiffs claim to have purchased the aircraft having relied on the Certificate of Airworthiness that the SACAA issued in 2002 after the repair work was done as well as an export certificate

Notes to the Annual Financial Statements

issued in 2021. The plaintiffs are claiming for damages up to a maximum of EUR 612 901 jointly and severally from the SACAA and the first defendant. The SACAA is defending the matter.

(iv) The SACAA has approached the Labour Court to review a CCMA Arbitration Award that was issued against it. The claim against the SACAA is for reinstatement of the employee as well as back-payment of R6 086 155.

Surplus funds

A request to retain accumulated cash surpluses as at 31 March 2024 will be submitted to the National Treasury when the audited annual financial statements for the year ended 31 March 2024 have been approved by the SACAA Board. If approved the accumulated surpluses will not have to be surrendered to the National Treasury. Historically the National Treasury has approved the retention of cash surpluses by SACAA.

Notes to the Annual Financial Statements

25. Related parties

Related party balances

	2024	2023
Loan accounts owing (to)/by related parties		
South African Airways	75 925	(79 058)
Air Traffic and Navigation Services	1 962 402	2 449 674
Airports Company South Africa	(429 265)	(249 436)
Mango airlines	(680)	(680)
	1 608 382	2 120 500

No expense has been recognised in the current period for the impairment of trade receivables in respect of amounts owed by related parties. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. The Department of Transport either control or exercises significant influence over all entities listed as related parties.

Related party transactions

	2024	2023
Purchases from/(invoices to) related parties		
Department of Transport (accidents and incidents investigation)	(42 095 476)	(39 090 000)
Department of Transport (baseline adjustment)	(85 801 000)	(187 900 000)
Air Traffic and Navigation Services	(14 349 902)	(13 417 953)
Airports Company South Africa (licences)	(1 922 113)	(2 417 940)
Airports Company South Africa (rentals)	2 638 850	2 168 270
South African Airways	(31 590 886)	(22 256 421)
	(173 120 527)	(262 914 044)

Notes to the Annual Financial Statements

26. Member's emoluments

Executive Management

2024		Salary	Medical aid	Provident fund	Bonuses	Total
Ms GNB Khoza	Director of Civil Aviation	4 333 874	216 936	763,593	2 118 697	7 433 100
Mr AAA Seedat	Executive: Finance	2 441 537	198 507	458 712	862 228	3 960 984
Mr SB Segwabe (Resigned 30 September 2023)	Executive: Aviation Safety Operations	1 288 396	67 812	201 723	-	1 557 931
Mr GH Bestbier	Executive: Aviation Infrastructure	2 696 727	70 200	691 345	973 295	4 431 567
Ms TP Masooa	Executive: Human Resources	2 337 161	198 601	436 214	791 082	3 763 058
Ms PI Gwebu	Executive: Corporate Services	1 944 504	121 536	360 112	648 805	3 074 957
Ms N Naraindath	Company Secretary	1 950 142	222 093	375 793	694 156	3 242 184
Mr LL Gqeke (Seconded to ICAO from 1 October 2023)	Executive: Aviation Security	2 589 134	146 178	484 135	864 614	4 084 061
Ms B Ndandani	Executive: Aviation and Legal	1 895 740	45 146	475 016	644 968	3 060 870
Mr SV Sotshede	Compliance Chief Audit Executive	2 391 824	86 508	432 575	753 007	3 663 914
Mr IT Thabethe	Executive: Accident and Incident	2 140 635	-	330 560	652 146	3 123 341
Mr EW Mataba (Appointed 1 June 2023)*	Executive: Safety Standards and Assurance	2 067 569	97 758	363 935	388 776	2 918 038
Mr JG Tshabalala (Appointed 1 February 2024)	Interim Executive: Aviation Security	379 219	17 448	70 000	-	466 667
Mr NH Smit (Acting from 1 October 2023 to 31 January 2024)	Acting Executive: Aviation Security	444 350	50 885	80 656	-	575 891
		28 900 812	1 539 608	5 524 369	9 391 774	45 356 563

* Acting Executive: Aviation Safety Operations from 1 April 2023 to 31 March 2024

Notes to the Annual Financial Statements

26. Member's emoluments (continued)

		2023					
		Salary	Medical aid	Provident fund	Bonuses	Retention bonuses	Total
Ms GNB Khoza	Director of Civil Aviation	3 881 299	184 548	713 637	191 082	1 080 247	6 050 813
Mr AAA Seedat	Executive: Finance	2 259 627	169 686	428 702	119 788	648 935	3 626 738
Mr SB Segwabe	Executive: Aviation Safety Operations	2 451 306	112 650	452 462	121 150	684 901	3 822 469
Mr GH Bestbier	Executive: Aviation Infrastructure	2 522 283	62 184	646 116	129 752	733 529	4 093 864
Ms TP Masooa	Executive: Human Resources	2 145 781	164 388	407 676	109 158	617 106	3 444 109
Ms PI Gwebu	Executive: Corporate Services	1 793 971	113 166	336 553	90 115	509 447	2 843 252
Ms N Naraindath	Company Secretary	1 800 321	189 858	351 208	119 492	531 630	2 992 509
Mr LL Gqeke	Executive: Aviation Security	2 428 171	129 528	452 462	121 150	684 901	3 816 212
Ms B Ndandani	Executive: Aviation and Legal Compliance	1 733 942	43 826	443 940	118 348	-	2 340 056
Mr SV Sotshede	Chief Audit Executive	2 215 971	164 388	363 848	90 747	-	2 834 954
Mr IT Thabethe (Appointed 1 April 2022)	Executive: Accident and Incident Investigation	2 028 461	-	267 977	70 050	-	2 366 488
		25 261 133	1 334 222	4 864 581	1 280 832	5 490 696	38 231 464

Notes to the Annual Financial Statements

26. Member's emoluments (continued)

Non-executive Director's fees

2024			
	Member's fees	Reimbursive Expense*	Total
Mr E Khosa	384 270	34 059	418 329
Mr S Sooklal	393 189	20 394	413 583
Mrs GB Koyana	388 554	25 617	414 171
Ms GZ Nkosi**	46 221	143	46 364
Mr MTD Peege	261 247	32 702	293 949
Adv MA Lebakeng	279 336	10 768	290 104
	1 752 817	123 683	1 876 500

2023			
	Member's fees	Reimbursive Expense*	Total
Mr E Khosa	380 286	3 731	384 017
Mr S Sooklal	363 761	4 010	367 771
Mrs GB Koyana	376 865	13 171	390 036
Prof. NV Dyani Mhango***	65 881	349	66 230
Mr MG India ***	67 430	487	67 917
Ms GZ Nkosi**	40 444	216	40 660
	1 294 667	21 964	1 316 631

Fees

*Reimbursive expenses are disclosed in terms of Treasury Regulation 28 (1) (4) of the PFMA as Reimbursive costs paid to Board members. The costs include flights, car hire, accomodation and travel costs for all meetings of the Board and its committees.

** Appointed as a specialist Audit and Risk Committee member from 1 November 2020.

*** Retired 31 May 2022.

Notes to the Annual Financial Statements

27. Risk management

Capital risk management

The SACAA's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide return for its shareholder and benefits for its stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the SACAA consists of cash and cash equivalents disclosed in note 3, and equity as disclosed in the statement of financial position.

As the SACAA is not exposed to debt, there is no meaningful debt to equity ratios, such as gearing ratio, to be disclosed. There are no externally imposed capital requirements.

There have been no changes to what the SACAA manages as capital. The strategy for capital maintenance or externally imposed capital requirements remained the same as in the previous year.

Financial risk management

The SACAA's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Management meets on a regular basis to analyse interest rate exposures and evaluate treasury management strategies against revised economic forecasts. Compliance with policies and exposure limits is reviewed by management on a continuous basis. Management believes that, to the best of its knowledge, there are no significant undisclosed financial risks.

Liquidity risk

Liquidity risk refers to the risk that the SACAA will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The SACAA's current ratio of 3.7 times indicates that it will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

The SACAA's risk to liquidity is a result of the funds available to cover future commitments. The SACAA manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and monitored on a monthly basis.

	2024	2023
Current assets	631 889 301	549 236 055
Current liabilities	170 354 102	140 535 453
Current ratio	3.7:1	3.9:1

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The SACAA is exposed to interest rate risk as it invests funds in the money market at floating interest rates. At 31 March 2024, no derivative financial instruments were used to manage the SACAA's exposure to interest rate risk.

Notes to the Annual Financial Statements

27. Risk management (continued)

The SACAA has adopted a policy of investing the majority of surplus cash in call account investments and corporation for public deposit as a means to safeguard and mitigate interest rate risk. The risk is further managed through the fact that the surplus funds are invested in reputable financial institutions and corporation for public deposit.

Credit risk

The SACAA is exposed to credit risk, which is the risk of financial loss to the SACAA if a counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors and other receivables. The SACAA only deposits cash with major banks and corporation for public deposit with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or by credit cards.

Where management considered debtors to be impaired, a provision for doubtful debts was raised.

The COVID-19 outbreak caused a reduction in economic activity and severely impacted the aviation industry and the SACAA client base. This was taken into account when impairment of receivables were considered.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2024	2023
Cash and cash equivalents	540 785 039	470 929 556
Statutory receivables less unallocated receipts	77 054 344	68 923 459
Security deposits	8 189 080	7 739 538
Accrued Interest	821 913	-
Staff advances	230 993	257 222
Other receivables	104 184	75 500
	627 185 553	547 925 275

Default

Default occurs when:

a) credit limits are exceeded;

b) payments are not received within the approved period

In such cases the necessary collection measures were taken with due regard to the financial risk connected to a specific debtor account. Collection measures included handing accounts over to the Legal Department for follow-up.

As at 31 March 2024, the SACAA did not consider that any significant concentration of credit risk existed in the receivable book which had not been adequately provided for.

Notes to the Annual Financial Statements

27 Risk management (continued)

The table below provides an analysis of credit risk exposure inherent in the loans and receivables book at the year-end reporting dates, reconciled to the carrying value of net trade receivables as reported in note 4 and 5.

2024	Direct charges	Indirect charges	Total
Current balances	634 640	53 804 262	54 438 902
Overdue balances	5 821 419	18 321 833	24 143 252
Subtotal	6 456 059	72 126 095	78 582 154
Impairment provision	(3 919 493)	(10 820 669)	(14 740 162)
	2 536 566	61 305 426	63 841 992

2023	Direct charges	Indirect charges	Total
Current balances	611 786	47 479 141	48 090 927
Overdue balances	11 341 788	11 160 370	22 502 158
Subtotal	11 953 574	58 639 511	70 593 085
Impairment provision	(3 990 552)	(11 610 824)	(15 601 376)
	7 963 022	47 028 687	54 991 709

Definitions

Direct charges include regulatory fees and calibration fees.

Indirect charges include passenger safety fees and fuel levies.

Business rescue/liquidation

As soon as it becomes known that a debtor has been placed into business rescue, provisional liquidation/sequestration or has been placed into final liquidation/sequestration, the credit facility is automatically revoked. Interest is charged from the date of last payment to the date of final liquidation/sequestration and the debt is provided in full as irrecoverable.

Foreign exchange risk

The SACAA incurs currency risk as a result of expenses in foreign currencies, hence exposure to exchange rate fluctuations arises. The foreign currency in which the SACAA primarily deals is the US Dollar. No forward cover is taken out for these transactions. Management considers the foreign currency risk to be insignificant.

28. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary cause of business.

Management is of the view that the SACAA will continue as a going concern for the foreseeable future as it has sufficient available reserves currently as well as financial support from its Executive Authority, the Department of Transport for the next three financial years. Conditions in the aviation industry continues to improve.

Notes to the Annual Financial Statements

29. Events after the reporting date

The Board is not aware of any significant events that occurred after the reporting date that were not adjusted or disclosed in the annual financial statements. Furthermore, and except for the matters referred to in the going concern paragraph, management is not aware of any circumstances that exist that would impede the SACAA's ability to continue as a going concern.

30. Irregular expenditure

	2024	2023
Irregular Expenditure - prior period	-	254 226

The irregular expenditure in the prior period related to non-compliance to SCM policies, procedures and prescripts. Internal Audit Division, through its Forensic Services Department, has conducted and concluded its investigation during the year and confirms the irregular expenditure. Management accepted the investigation report of Internal Audit and implemented the recommendations. Management confirmed that there was no fraudulent, corrupt or criminal conduct, that there were no losses incurred and that value for money was received. The Board, at its meeting held on the 29th of April 2024, approved the condonation of the irregular expenditure and also approved that a motivation be submitted to National Treasury to request condonation of irregular expenditure. National Treasury did not condone the incurred irregular expenditure and advised the Board to comply with paragraphs 5.7 and 5.8 of the PFMA Compliance and Reporting Framework. The approval for recondonation was resubmitted and condoned by the Board at its meeting in July 2024.

31. Budget variances

Material differences between budget and actual amounts

The material variances between actual and budgeted above 5% or in excess of R2 million can be explained as follows:

Other revenue

Other revenue of R5 372 595 is R2 195 222 higher than budget of R3 177 373 due to unbudgeted revenue received from the Transport Sector Training Authority (TETA) as well as recoveries of travel cost by the Flight Inspection team.

Bad debts recovered

Bad debts recovered of R142 509 was not included in the budget.

Passenger safety charge

Passenger safety charge of R562 458 170 is R3 071 108 higher than budget of R559 387 062 due to the fee increase of 6.5% from R27.54 to R29.33 that was effective from 1 June 2023.

Fuel Levy

Fuel levy of R38 464 014 is R6 009 850 higher than the budget of R32 454 164 due to fuel volumes on cargo flights, charter flights and general aviation being higher than expected.

Notes to the Annual Financial Statements

32. Budget variances (continued)

Personnel costs

Personnel costs of R601 756 691 is R17 683 670 lower than the budget of R619 440 361. The budgeted permanent staff compliment for the 2023/2024 financial year was 564. On 31 March 2024 the actual permanent staff compliment, including 12 fixed term contracts was 518. During the year 63 positions were filled however there were also 50 terminations resulting in a positive variance to the budget. There were 46 positions vacant at the end of the financial year.

Operating Expenses

Operating Expenses of R227 721 494 is R4 658 288 lower than the budget of R232 379 782 mainly due to continued cost containment measures. Savings were realised mainly in the discretional spending areas like training, public relations, printing and stationery cost. Aircraft operating expense, insurance, safety promotions and software expenses exceeded the budget allocation.

Depreciation and amortisation

Depreciation and amortisation of R12 888 141 is R1 913 864 lower than the budget of R14 802 005 as a result of the extension of the useful lives of certain property, plant and equipment as well as the postponement of non-critical capital expenditure for the year.

Debt impairment and Bad debts written off

Debt impairment reversal of R861 214 and Bad debts written off of R1 276 067 was not included in the budget.

Loss on disposal of assets

Loss on disposal of assets of R184 692 was not included in the budget.

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters. These adjustments and reallocations were necessary to align the budget with business needs.

33. B-BBEE Performance

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

34. Comparative figures

Certain comparatives figures have been reclassified. An amount of R1 862 432 of the fee that is received from the Department of Transport was previously disclosed as sponsorship income in revenue from exchange transactions (Note 15) and is now disclosed with the full amount received from the Department of Transport as revenue from non-exchange transactions (Note 16) to enhance disclosure and reconciliation with the Department of Transport.

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