[The following report, replaces the Report of the Portfolio Committee on Higher Education, which was published on page 59 of the Announcements, Tablings and Committee Reports, dated 30 October 2025]

BUDGETARY REVIEW AND RECOMMENDATION REPORT OF THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION ON ITS ASSESSMENT OF THE 2024/25 ANNUAL REPORTS OF THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING AND ENTITIES, DATED 29 OCTOBER 2025

The Portfolio Committee on Higher Education (hereinafter the Committee), having assessed the 2024/25 Annual Reports of the Department of Higher Education and Training (hereinafter the Department), Council for Higher Education (CHE), Quality Council for Trades and Occupations (QCTO), South African Qualifications Authority (SAQA), reports as follows:

1. INTRODUCTION AND MANDATE OF THE COMMITTEE

1.1. Introduction and mandate of the Committee

The National Assembly (NA) Committees are required in terms of Section 5 of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009) to annually assess the performance of each national department and thereafter submit a Budgetary Review and Recommendation Report (BRRR), which will provide an assessment of the department's service delivery performance given available resources, an assessment of the effectiveness and efficiency of the department's use and allocation of available resources, and recommendations on the forward use of resources.

Section 55(2) of the Constitution of the Republic of South Africa, 1996 stipulates that *"the National Assembly (NA) must provide for mechanisms (a) to ensure that all executive organs of state in the national sphere of government are accountable to it; and (b) to maintain oversight of (i) national executive authority, including the implementation of the legislation; and (ii) any organ of state."*

1.2. Purpose of the BRR Report

The report accounts for the work done by the Portfolio Committee on Higher Education, in assessing the 2024/25 Annual Reports of the Department, CHE, QCTO, and SAQA in accordance with section 5 (2) of the Money Bills Amendment Procedure and Related Matters Act, 2009, which mandates all committees of the National Assembly (NA) to annually submit BRR reports for tabling in the NA for each department. On 30 September 2025, the Minister of Higher Education and Training tabled the 2024/25 Annual Reports of the Department, including the Entities. On 1 October 2025, the Speaker of the National Assembly referred the Annual Reports to the Portfolio Committee in terms of Rule 338 for consideration and reporting.

1.3. Method

The Portfolio Committee convened briefing sessions on 15 and 17 October with the Auditor-General of South Africa (AGSA), the Department, CHE, QCTO, and SAQA, where the audit outcomes of the Higher Education Portfolio and 2024/25 Annual Reports were presented and scrutinised. The Department and entities also presented their 2024/25 annual performance reports.

2. RELEVANT POLICY FOCUS AREAS

2.1. National Development Plan (NDP)

The NDP identifies decent work, education, and the state's capacity as particularly important priorities. For the post-school education and training sector, the NDP envisages that by 2030, South Africans should have access to the highest-quality education and training. The education, training, and innovation system should cater to different needs and produce highly skilled individuals; graduates of the post-school system should have adequate skills and knowledge to meet the current and future needs of the economy and society.

2.2. White Paper for Post-School Education and Training (WPPSET)

The White Paper articulates a vision for an integrated system of post-school education and training, with all institutions playing their role as part of a coherent but differentiated system. The White Paper sets out strategies to expand the current provision of education and training in South Africa, improve its quality, and integrate the various strands of the post-school system. The White Paper sets interventions for implementation by different sectors within Post-School Education and Training. The

Department has developed a Draft National Plan for Post Education and Training (PSET) from the White Paper, which will be an implementation plan with measurable targets for each sub-system of the sector. The main policy objectives are as follows:

- A post-school system that can assist in building a fair, equitable, non-racial, non-sexist, and democratic South Africa;
- A single, coordinated post-school education and training system, expanded access, improved quality, and increased diversity of provision; and
- Post-school education and training that is responsive to the needs of individual citizens and employers in both public sectors, as well as broader societal and development objectives.

The WP-PSET commits the Quality Assurance Councils, including the South African Qualifications Authority (SAQA), to ensure that there are no dead ends within the post-school education and training system. It further states that articulation should be both vertical in terms of moving to higher levels of the National Qualifications Framework (NQF) and horizontal, catering for movement from a vocational stream to an academic one or vice versa.

2.3. Revised Medium-Term Strategic Framework (MTSF) 2019 – 2024

2019 – 2024 MTSF is a five-year strategic plan of the government and forms the second five-year implementation phase of the NDP. The Department of Higher Education and Training is responsible for contributing to the realisation of the policy priorities outlined in the MTSF Priority 3: Education, Skills and Health. For the 2020 – 2025 planning period, the Department will focus on the following outcomes:

- **Expanded access to PSET opportunities**, which aim to provide a diverse student population with access to a comprehensive and multifaceted range of PSET opportunities;
- **Improved success and efficiency in the PSET system** aims to improve efficiency and success of the PSET system;
- **Improved quality of PSET provisioning** to build the capacity of PSET institutions to provide quality education and training;
- **A responsive PSET system** to provide qualifications programmes and curricula that are responsive to the needs of the world of work, society and students; and
- **Excellent business operations within DHET** to ensure sound service delivery management and effective resource management within the department.

2.4. National Skills Development Plan (NSDP)

The NSDP ensures that South Africa has adequate, appropriate, and high-quality skills that contribute to economic growth, employment creation, and social development. The NSDP is set to become the key policy to inform the work of the skills levy institutions until 2030 and has been crafted within the policy context of the NDP and the White Paper. The work of the institutions will focus on addressing the eight NSDP outcomes as follows:

- Outcome 1: Identify and increase the production of occupations in high demand;
- Outcome 2: Link education and the workplace;
- Outcome 3: Improve the level of skills in the South African workforce;
- Outcome 4: Increase access to occupationally directed programmes;
- Outcome 5: Support the growth of the public college system;
- Outcome 6: Skills development support for entrepreneurship and cooperative development;
- Outcome 7: Encourage and support worker-initiated training; and
- Outcome 8: Support career development services.

3. RESPONSE TO THE PREVIOUS FINANCIAL YEAR RECOMMENDATIONS OF THE PORTFOLIO COMMITTEE

3.1. 2024 Budgetary Review and Recommendation Report (BRRR)

In accordance with section 7(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), which provides the following:

3.1.1. Council on Higher Education

Committee recommendation:

"*In light of the expanding mandate and scope of work of the Council on Higher Education, additional funding should be considered for the entity to implement its new fit-for-purpose organisational* *structure that matches the work that needs to be done; make progress in implementing its Digital Transformation Strategy and carry out the increased scope of work".*

Minister of Finance's response:
As noted in the 2024 Budget, the Council on Higher Education's baseline was increased by an additional allocation of R19 million in 2022/23 and R25 million in 2023/24 to address critical capacity needs and implement its mandate. In addition, the council retained a cash surplus of R4.4 million in 2023/24 to enhance its information and communication technology infrastructure and resources as part of the planned phased implementation of the new Quality Assurance Framework.

3.1.2. South African Qualifications Authority

Committee recommendation*:*
"Additional funding over the MTEF period (2025/26 – 2027/28) should be considered to: enable the South African Qualifications Authority to fund automation and digitisation; verification of South African qualifications and the National Qualifications Framework Chair (Research); and implement the phased-in approach of the automation Project Phoenix".

Minister of Finance's response:
The South African Qualifications Authority was authorised to retain a cash surplus of R108.4 million in 2023/24 to address critical capacity challenges and to implement its mandate. These surplus funds are being used for rolling out the business process automation project, operational commitments as per the National Qualifications Framework Act (2008), the purchase of a new office building, contingent liabilities arising from pending legal cases and various research projects. Furthermore, the authority is receiving a transfer payment from the department totalling R292.3 million over the medium term.

3.2. Overview and assessment of the Department's 2024/25 financial performance

3.2.1. Overview and assessment of the 2024/25 budget and expenditure

Table 1: 2024/25 budget allocation and expenditure

APPROPRIATION PER PROGRAMME	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	% SPENT
Administration	660 078	596 219	63 859	90.3%
Planning, Policy and Strategy	3 704 279	3 686 766	17 513	99.5%
University Education	91 689 231	91 681 031	8 200	100.0%
Technical and Vocational Education and Training	13 230 389	13 199 336	31 053	99.8%
Skills Development	341 801	334 807	6 994	98.0%
Community Education and Training	3 147 714	3 135 611	12 103	99.6%
Total: Departmental Voted Funds	**112 773 492**	**112 633 770**	**139 722**	**99.9%**
Statutory Appropriation	**24 137 414**	**24 137 414**	**-**	**100.0%**
SETAs	19 309 931	19 309 931	**-**	100.0%
National Skills Fund	4 827 483	4 827 483	-	100.0%
Total	**136 910 906**	**136 771 184**	**139 722**	**99.9%**

Source: DHET (2025)

In 2024/25, the Department's total final appropriation was R136.9 billion (2023/24: R130.3 billion), comprising R112.8 billion of voted funds and R24.1 billion from direct charges against the National Revenue Fund. The total revenue excludes funds from the Departmental receipts and aid assistance. At the end of the financial year, the Department had spent R136.8 billion, or 99.9 per cent of the allocated funds. The Department incurred an underspending amounting to R139.7 million or 0.1 per cent of the voted funds.

3.2.2.Expenditure per economic classification

Table 2: 2024/25 allocation and expenditure per economic classification

APPROPRIATION PER ECONOMIC CLASSIFICATION	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	% SPENT
Compensation of employees	11 562 277	11 481 691	80 586	99.3%
Goods and services	957 059	902 946	54 113	94.3%
Transfers and subsidies	124 305 453	124 304 556	897	100.0%
Payments for capital assets	81 341	77 216	4 125	94.9%
Payment for financial assets	4 776	4 775	1	100.0%
Total	**136 910 906**	**136 771 184**	**139 722**	**99.9%**

Source: DHET (2025)

During the period under review, the Department spent R11.5 billion (2023/24: R11.0 billion) or 93.3 per cent on the compensation of employees budget. The Department recorded an underspending amounting to R80.6 million or 0.7 per cent (2023/24: R71.43 million) per cent of the compensation of employees' budget. The Department ascribed the unspent funds to natural attrition/unfilled vacancies due to prolonged recruitment processes arising from the implementation of a directive from the Department of Public Service and Administration (DPSA) on control measures for fiscal sustainability; outstanding backlog payments with regards to Relative Education Qualification Values (REQV) not dealt with as planned and CET claims not submitted as planned; and savings due to additional funding received for the new Ministries in the Department for a full year, whilst these Ministries were only appointed in June/July 2024.

Regarding goods and services, the Department spent R902.9 million or 94.3% per cent (2023/24: R701.7 million against the budget of R957.1 million. The Department recorded lower-than-projected spending amounting to R54.1 million. Underspending on goods and services increased significantly from R11.53 million in 2023/24. Underspending on goods and services was attributed to savings on travel and subsistence, printing and stationery due to virtual meetings opposed to physical meetings, which is also coupled with monitoring and evaluation processes that were converted to desk-top analysis where possible, as well as austerity measures implemented; delays with the procurement of tools and equipment and trade test material, legal fees not claimed as projected and delays in the appointment of a service provider to conduct an audit of the Community Education and Training (CET) Learning Centres. In addition, savings were realised on travel and subsistence due to controlled international travel, austerity measures implemented and due to the new Ministries, which commenced working in the Department in June/July 2024.

Expenditure on transfers and subsidies was R124.3 billion or 100 per cent (2023/24: R118.4 billion) against the budget of R124.3 billion. Expenditure on payment for capital assets was R77.2 million (2023/24: R39.1 million) or 94.9 per cent of the available budget, indicating an under-expenditure of R4.1 million. Lower-than-projected spending was due to the austerity measures implemented in the procurement of capital assets and computer software, which were not procured as planned.

Virements

The Department applied virements as follows:

Table 3: Virements applied in 2024/25

Shifted from	Shifted to	Amount (R'000)
P1: Administration	P4: TVET	15,6
P2: Planning, Policy, and Strategy	P6: CET	211,1
P2: Planning, Policy, and Strategy	P4: TVET	19,0
P3: University Education	P4: TVET	4,0

Source: DHET (2025)

The Department reported that the requirement for a Virement to Programme 4: Technical and Vocational Education and Training was necessitated to fund a budget shortfall on Examination and Assessment operational expenditure, while the Virement to Programme 6: Community Education and Training was approved by National Treasury for internal reprioritisation of unspent Infrastructure

Funds on Community Education and Training colleges towards transfers to Community Education and Training colleges for Learning and Teaching Support Materials. Savings on Compensation of Employees were the result of vacant posts on the Departmental Staff Establishment that could not be filled as planned, and concomitant savings as a result thereof. Savings on Buildings and Infrastructure were also apparent due to the slower-than-planned implementation of the CET Infrastructure project.

3.2.3.Overview and assessment of expenditure per programme

Programme 1: Administration

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

The programme's final appropriation for the 2024/25 financial year was R660.1 million (2023/24: R492.3 million). The actual expenditure at the end of this period under review was R596.2 million, representing a spending rate of 90.3 per cent. The programme recorded a lower-than-projected spending of R63.9 million, mainly due to prolonged recruitment processes arising from the implementation of a directive from the Department of Public Service and Administration on control measures for fiscal sustainability, which resulted in recruitment processes not finalised by 31 March 2025 and the concomitant saving on administrative expenditure. In addition. There were savings in management, which derived from the additional funding received for the new Ministries in the Department for a full year, whilst operations in these Ministries only commenced in June/July 2024. The low spending on payments for machinery and equipment is due to delays in the procurement processes and software not being procured as planned.

The largest underspending within the programmes was incurred under subprogrammes 1: Departmental Management and 2: Corporate Management Services at R30.9 million and R26.6 million, respectively.

Programme 2: Planning, Policy and Strategy

The purpose of the programme is to provide strategic direction in the development, implementation, and monitoring of Departmental policies and the Human Resource Development Strategy for South Africa.

The programme's final appropriation in 2024/25 was R3.7 billion (2023/24: R1.5 billion). At the end of the financial year, the programme had spent R3.7 billion or 99.5 per cent. The programme recorded lower-than-projected spending amounting to R17.5 million (2023/24: R35.1 million) or 0.5 per cent against the final appropriation.

The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected, and the concomitant saving on administrative expenditure and Legal Fees not claimed as projected. Savings were realised on travelling and subsistence due to controlled international travel, austerity measures implemented, and virtual meetings were performed as opposed to physical meetings. Savings were realised on the transfer to the Commonwealth of Learning due to a favourable Rand/Euro exchange rate.

Transfers and subsidies, mainly infrastructure efficiency grants to universities and TVET colleges, constituted the largest programme spending at 94.6 per cent or R3.5 billion.

Programme 3: University Education

The programme develops and coordinates the policy and regulatory framework for an effective and efficient university education system.

During the 2024/25 financial year, the programme's final appropriation amounted to R91.7 billion (2023/24: R90.1 billion). Expenditure at the end of the financial year amounted to R91.7 billion or 100.0 per cent of the total final appropriation. The programme's expenditure was dominated by transfers and subsidies at R91.6 billion, mainly to universities and the National Student Financial Aid Scheme (NSFAS).

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

The purpose of this programme is to plan, develop, implement, monitor, maintain, and evaluate national policies, programmes, assessment practices, and systems for TVET.

The programme's 2024/25 final appropriation amounted to R13.2 billion (2023/24: R12.6 billion). Expenditure at the end of the year amounted to R13.2 billion or 99.8 per cent against the available budget. The programme's expenditure was dominated by spending on compensation of employees at R8.2 billion, representing 62 per cent of the programme's total expenditure for 2024/25, followed by transfers and subsidies at R4.5 billion or 33.8 per cent. The programme underspent by R31.1 million, of which R19.3 million was on compensation of employees and R11.6 million on goods and services. The under-spending is due mainly to prolonged recruitment processes arising from the implementation of a directive from the Department of Public Service and Administration on control measures for fiscal sustainability, which resulted in recruitment processes not finalised by 31 March 2025 and the concomitant saving on administrative expenditure, travelling, and subsistence due to virtual meetings held.

The bulk of the underspending was in subprogramme 6: Regional Offices at R18.9 million, followed by subprogramme 2: TVET System Planning and Institutional Support at R5.2 million.

Programme 5: Skills Development
The purpose of the programme is to promote and monitor the National Skills Development Strategy (NSDS III) and to develop a skills development policy and regulatory framework for an effective skills development system.

During the 2024/25 financial year, the programme's final appropriation amounted to R341.8 million (2024/25: R292.7 million). Expenditure at the end of the year amounted to R334.8 million or 98.0 per cent of the programme's total final appropriation. Expenditure at the end of this period under review amounted to R6.9 million. The under-spending is due mainly to attrition posts that became vacant during the year that could not be filled as projected, and the concomitant savings on administrative expenditure, as well as delays with the procurement of tools and equipment and trade test material. Savings were realised on travel and subsistence due to austerity measures implemented, and virtual meetings were performed as opposed to physical meetings.

The programme spent R146.7 million on the compensation of employees' budget and R29.9 million on goods and services. Expenditure on transfer and subsidies was R156.9 million.

Programme 6: Community Education and Training (CET)
The purpose of this programme is to plan, develop, implement, monitor, maintain, and evaluate national policy, programme assessment practices, and systems for community education and training.

During the 2024/25 financial year, the programme's final appropriation amounted to R3.1 billion (2023/24: R2.9 billion). Expenditure at the end of the year was R3.1 billion or 99.6 per cent of the total final appropriation, thus recording lower-than-projected spending of R12.1 million (2023/24: R34.2 million). The under-spending is attributed mainly to outstanding backlog payments with regard to REQV for CET lecturers not dealt with as planned, attrition posts that became vacant during the year that could not be filled as projected, and the delay in appointment of a service provider to conduct an audit of CET Learning Centres. Cost containment measures implemented also contributed to savings.

The programme's expenditure was dominated by spending on the compensation of employees, at 85.5 per cent (R2.7 billion). Expenditure on goods and services amounted to R5.8 million or 74.3 per cent of the budget of R7.9 million. Expenditure on transfer and subsidies was R445.5 million or 100.0 per cent of the allocated budget.

3.2.4. Irregular, fruitless, wasteful, and unauthorised expenditures incurred in the 2024/25 financial year

Irregular expenditure
The Department has not incurred irregular expenditure during the year under review. The Department has reported an opening balance of R59 000 relating to the 2023/24 financial year. The expenditure was under investigation during the 2024/25 financial year and recorded in the 2024/25 financial year. The Auditor-General of South Africa (AGSA) found non-compliance with supply chain management (SCM) as an error due to inadequate review and oversight that occurred in the evaluation process of the procurement of laptop bags. The case is not yet finalised.

Fruitless and wasteful expenditure
The Department did not incur fruitless and wasteful expenditure but reported R89 000 relating to the previous financial year. R30 000 of the reported fruitless and wasteful expenditure was written off relating to fraudulent salary overpayment incurred in the 2016/17 financial year. An employee was found guilty, and a sanction of one-month suspension without pay was issued against the employee. Regarding R59 000, it was reported that AGSA found the Department paid for the service of 23 cleaners in terms of the pricing schedule; however, the attendance registers indicated fewer cleaners were used. This was deemed fruitless and wasteful and led to an investigation and disciplinary hearing. The outcome was that the official was not guilty, hence no further action.

3.2.5. Overview and assessment of the Department's programme performance for the 2024/25 financial year

For 2024/25, the Department had 94 annual targets, comprising direct outputs and system targets (MTSF Outcomes-related targets). The Department achieved 46 targets, representing an achievement rate of 49 per cent. The Department's performance regressed by 10 per cent from 56 per cent achieved in 2023/24. Over the past three financial years, the Department spent 99 per cent of its final appropriation but has not achieved more than 60 per cent of its Annual Performance Plan (APP) targets. The Department's programmes and their related achievement against the performance targets for the 2024/25 financial year are presented in Table 4.

Table 4: The Department's programme non-financial performance for the 2024/25 financial year

PROGRAMMES	APP Targets 2024/25	Achieved	Not Achieved	% Achieved	% Budget Spent
Programme 1: Administration	10	7	3	70%	90.3%
Programme 2: Planning, Policy and Strategy	16	5	11	69%	99.5%
Programme 3: University Education	26	15	11	58%	100.0%
Programme 4: TVET Colleges	22	9	13	41%	99.8%
Programme 5: Skills Development	11	3	8	27%	98.0%
Programme 6: CET Colleges	9	7	2	78%	99.6%
Total	**94**	**46**	**48**	**49%**	**99.1%**

Source: DHET (2025)

3.2.6. Non-financial performance per programme

Programme 1: Administration
The programme had 10 targets for the 2024/25 financial year and achieved seven (7), representing an achievement rate of 70 per cent.

In ensuring transformation in its procurement and the economic empowerment of women, youth and black-owned businesses, including Small, Medium and Macro Enterprises, the Departments exceeded the targets relating to setting aside public procurement 40% of Women-owned business target by 8.6 per cent 30 per cent of Youth-owned businesses target by 0.6 per cent; 70 per cent of Black-owned businesses by 11.9 per cent and 30 per cent of Small, Medium and Macro Enterprises (SMMEs) by 27.3 per cent. The Department resolved 80.7 per cent of disciplinary cases within 90 days.

Targets not achieved included:

- Achieved 99.9 per cent of valid invoices from creditors paid within 30 days against the target of 100 per cent.
- Achieved 2.08 per cent of public procurement set aside for businesses owned by people living with disabilities, against the target of 7 per cent.
- Achieved an unqualified audit opinion with findings, against the clean audit outcome target.

Programme 2: Planning, Policy and Strategy
For the 2024/25 financial year, the programme had 16 targets and achieved 5 with an achievement rate of 31 per cent.

In expanding access to education and training through infrastructure development, the Department built three new TVET college campuses (Ngqungqushe Campus of Ikhala, Giyani Campus of Letaba and Vryheid Campus of Mthashana TVET college). While this milestone is commendable, it is deeply concerning that the AG noted that the audit evidence did not support this reported achievement. The AG could not determine the actual achievement but estimated it to be materially less than reported. Consequently, the achievement against the target was likely lower than reported.

In contributing towards curbing gender-based violence, a Report on the implementation of the sexual Offences Act (Act 32 of 2007) and Related matters in the PSET system was approved by the Director-General, including a Report on the implementation of the "Transforming Mentalities" Programme.

Targets not achieved:

- Recognition of Prior Learning (RPL) Implementation Framework was published by 31 March 2025.
- National Qualifications Framework (NQF) Amendment Bill approved by the Minister by 31 March 2025 for introduction to Parliament.
- Revised Higher Education Act approved by Parliament by 31 December 2024.
- 1 Imbali Precinct project completed in collaboration with The Durban University of Technology (DUT) by 31 March 2025 (1 ICT Infrastructure)
- 1 000 students participated in Apprenticeship, Internships and Work Integrated Learning in construction (actual achievement is 380).
- 10 per cent completion of construction of the Tshwane University of Technology (TUT), Giyani Campus, initiated according to the designs completed
- 3 Student housing projects for the provision of 5 000 beds completed
- Detailed designs on the construction of the two new universities approved by the Director-General by 31 March 2025 for implementation.
- Technical Report (including methodology and the Critical Skills List) approved by the Director-General by 31 March 2025.

Programme 3: University Education

For the year under review, the programme had 26 targets and achieved 15, representing a 58 per cent achievement rate.

Selected key achievements:

- The updated Guidelines for the DHET bursary scheme at public universities were submitted to the Minister on 30 October 2024 for concurrence.
- 505 845 eligible university students received NSFAS bursaries.
- 31 316 students graduated in Initial Teacher Education.
- 3 620 graduated with Doctoral degrees.
- 54 per cent of university lecturers held doctoral degrees.
- A report on compliance with annual reporting regulations, financial health and audit outcomes of 26 universities was approved by the Director-General on 19 March 2025
- Progress report on the implementation of the Publication Quality Framework was approved by the Director-General on 25 March 2025.

Targets not achieved:

- Fee Increase Regulatory Framework submitted to the Minister for approval by 31 January 2025. The nonachievement was ascribed to the DHET Legal Services Unit, which advised that the Department lacks the authority to develop a regulatory framework for public universities. As a result, Framework Guidelines were developed instead.
- Progress report on the number of eligible university students receiving loans through NSFAS approved by the Director-General by 31 March 2025. The NSFAS operational report was developed; however, it did not provide a comprehensive account of university students receiving loans through NSFAS. As a result, important details regarding student loan disbursements and coverage were not fully captured.
- 1 131 000 Students are enrolled at public universities annually, and 237 000 Students are completing a university qualification annually. It was reported that budget cuts from the National Treasury have negatively impacted university funding for student enrolments and

completions. Additionally, some universities were unable to attract students who met the required admission criteria, further contributing to lower enrolment numbers.

- 14 800 Graduates in engineering annually; 11 4000 Graduates in natural and physical sciences annually; 10 660 Graduates in human health science annually, and 1 050 Graduates in animal health science annually. The partial achievements were ascribed to budget cuts from the National Treasury, which impacted university funding for enrolments and completions. Enrolment in the Science, Technology, Engineering and Mathematics (STEM) programmes remained low, largely due to the quality of Mathematics and Science learners produced by the Department of Basic Education, resulting in high dropout rates and extended time to graduation.
- 85 New Generation of Academics programme (nGAP) posts filled at universities every year (actual achievement is 21). The slow pace of implementation at universities has resulted in significant delays in the filling of nGAP positions. It is important to note that the recruitment of nGAP lecturers is managed at the institutional level and is therefore beyond the direct control of the Department.

Programme 4: Technical and Vocational Education and Training

For the year under review, the programme had 22 targets and achieved nine (9) or 41 per cent of the planned targets.

Selected key achievements:

- An additional Disability Student Unit (DSU) (Gert Sibande TVET College) to support students with disabilities in TVET colleges was established on 25 March 2025.
- 34 595 students in TVET colleges registered in engineering and trade-related occupations.
- Fifty TVET colleges offered Fourth Industrial Revolution (4IR) aligned skills training.
- 10 revised subject curricula for TVET colleges were approved by the Director-General on 31 March 2025 (Automation and Control devices NQF 6, Computer Aided Drafting NQF 4, Designing Mechanical Equipment NQF 6, Tourism industry knowledge NQF 5, Digital tools NQF 5, Maintenance Engineering Technology NQF 5, Renewable Energy NQF 6, Social media and digital literacy NQF 4 and Technology processes in manufacturing NQF 6).

Targets not achieved:

- 620 000 Student enrolments at TVET colleges (Actual achievement is 564 089). Partial achievement was ascribed to the under-reporting due collapse of the departmental TVET management information system (TVETMIS) supplemented with manual reporting. In addition, there were fewer students enrolled in the Pre-vocational Learning Programme.
- 400 000 eligible students funded by NSFAS (actual achievement is 254 409. The Department reported that some returning NSFAS students did not qualify for continued funding due to failure to progress to the next level of study. In terms of NSFAS policy, NSFAS returning students are required to progress to the next level of study to sustain their funding.
- 76 000 TVET college students completed the N6 qualification and achieved 35 318. It was noted that projections made at the beginning of the strategic plan period were based on the anticipated growth of enrolments in the TVET sector. Since then, enrolment numbers in TVET colleges, including the National Accredited Technical Diploma (NATED) Report 191, National N Diploma, and N6, have significantly decreased.
- 14 099 TVET college students completed the National Certificate (Vocational) [NC(V)] Level 4 and achieved 7 613. The underachievement was ascribed to students not passing all subjects at each level of the programme, therefore, unable to complete the required number of subjects (i.e. 21 subjects in three years). Other students dropped out of the programme.
- 300 lecturers participating in project-based lecturer capacity building programmes in engineering (electrical, plumbing and mechanical), achieved 204. Underachievement was ascribed to limited donor funding and sponsorships, which hindered participation in capacity-building programmes, affecting staff development and organisational growth.
- 6 000 lecturers participated in digital literacy programmes (actual achievement is 1 718). It was noted that a lower number of lecturers registered for participation in the digital literacy training. This affected overall attendance and programme targets.

Programme 5: Skills Development

The programme had 11 targets and achieved three (3), recording an achievement rate of 27 per cent. Concernedly, the programme's performance regressed in the past three consecutive financial years, 2022/23 and 2023/24 and 2024/25.

Selected key achievements:

- 96 per cent of SETAs meet the standard of good governance.
- It took an average of 26.25 days from qualifying trade test applications received until the trade test was conducted.
- 21 SETAs developed credible Sector Skills Plans.

Targets not achieved

- 190 000 Learners or students placed in Work-Based Learning Programmes, achieved 136 874; 150 000 learners registered in skills development programmes, achieved 60 822; and 36 375 learners entering artisanal programmes, achieved 18 144; 26 500 Artisans found competent, achieved 16 273. The underachievement was ascribed to the labour market not yet fully recovered from the impact of the COVID-19 pandemic, which limited employers' capacity to place more learners. This negatively affected the massification of skills development programmes. In addition, it was cited that the original targets were set at higher levels before the onset of the pandemic, based on optimistic assumptions that the economy would expand in line with National Development Plan projections. In reality, economic growth has averaged around 1 per cent, significantly below the 3 per cent envisaged in the 2019–2024 MTSF, further constraining opportunities for learner placements and completions.

Programme 6: Community Education and Training
The programme had nine (9) targets and achieved seven (7), thus recording a 78 per cent achievement rate.
Selected key achievements:

- 73 per cent of CET colleges were compliant with the implementation of the Funding Model for CET colleges.
- 100 per cent of CETCs met standards of good governance.
- 100 per cent of CET college examination centres were compliant with the National Policy on the Conduct and Management of Examination and Assessment.

Targets not achieved:

- 388 782 Students enrolled at CET colleges annually, achieved 120 08. It was noted that the infrastructure available to CET colleges is inadequate to support the delivery of programmes that are attractive and relevant to both adults and youth. Additionally, CET colleges lack a distinct institutional identity, as they mainly operate within public school facilities rather than dedicated campuses. This limits their ability to create a unique learning environment and brand, further impacting enrolment and programme uptake. Poor uptake in responsive and diversified skills programmes. Lack of ICTs to render colleges marketable to students.
- 55 000 CET college students completing GETC: Level 4 annually, achieved 10 535. This was due to the high levels of student absenteeism and dropouts negatively impacted overall participation and performance. Additionally, there was a lack of effective college tracking systems to monitor registered candidates' readiness to sit for examinations, resulting in insufficient support and preparation for students.

3.3. 2024/25 Audit Outcomes
The Department obtained an unqualified audit opinion with findings from the AGSA for the 2024/25 financial year. The Department had not received a clean audit since its establishment.

3.3.1.The basis for the opinion
Report on the audit of the annual performance report
The material findings on the performance information of the selected programmes as follows:

Programme 2: Planning, Policy and Strategy
Number of TVETs campuses built: An achievement of the completion of three (3) TVET campuses was reported against a target of three for the 2024/25 financial year. However, the audit evidence did not support this achievement. The AG could not determine the actual achievement, but the AG estimated it to be materially less than reported. Consequently, the achievement against the target was

likely lower than reported.

Number of student housing projects for the provision of beds completed: An achievement of 2 471 beds was reported against a target of 5 000 beds. The AG could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Number of students participating in apprenticeships, internships and work-integrated learning in construction: An achievement of 380 students participating in Apprenticeships, Internships and Work-Integrated Learning in Construction was reported against a target of 1 000 students. However, some supporting evidence was not provided for auditing, or where it was, the AG identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Programme 4: Technical and Vocational Education and Training
Various indicators: Based on the audit evidence, the actual achievements for the indicators did not agree with what was reported. The AG could not determine the actual achievements but estimated them to be materially more. The targets were still not achieved.

Number of learners in TVET colleges registered on engineering and trade-related occupations per annum: An achievement of 34 324 was reported against a target of 33 000 learners. However, the audit evidence did not support this achievement. The AG could not determine the actual achievement, but the AG estimated it to be materially more than reported. Consequently, the achievement against the target was likely lower than reported.

Period it takes to issue certificates to qualifying candidates following publication of results (months): An achievement of one month, 15 days was reported against a target of 3 months. However, the audit evidence did not support this achievement. The AG could not determine the actual achievement but estimated it to be materially less than reported. Consequently, the achievement against the target was likely lower than reported.
Number of days to release examination results to qualifying students: An achievement of 20.3 days was reported against a target of 40 days. However, the audit evidence did not support this achievement. The AG could not determine the actual achievement but estimated it to be materially less than reported. Consequently, the achievement against the target was likely lower than reported.

Number of public TVET colleges with at least two protocols signed with industry to place TVET college students and lecturers for workplace experience annually: An achievement of 50 was reported against a target of 50 colleges. However, the audit evidence did not support this achievement. The AG could not determine the actual achievement but estimated it to be materially less than reported. Consequently, the target was likely not achieved.

Programme 5: Skills Development
Various indicators: Based on the audit evidence, the actual achievements for the indicators did not agree with what was reported. The AG could not determine the actual achievements but estimated them to be materially more. The targets were still not achieved.

Programme 6: Community Education and Training
Number of students enrolled at CET colleges annually: An achievement of 120 081 was reported against a target of 388 782 students. However, the audit evidence did not support this achievement. The AG could not determine the actual achievement but estimated it to be materially less than reported. Consequently, the achievement against the target was likely lower than reported.

Material misstatements: The AG identified material misstatements in the Annual Performance Report submitted for auditing. These material misstatements were in the reported performance information for Programmes 2, 4, 5 and 6. Management did not correct all of the misstatements and, therefore, the AG reported material findings in this regard.

Internal control deficiencies:

- The Accounting officer did not ensure adequate controls were in place for performance reporting and monitoring to ensure that reported performance is supported by valid, complete, and accurate information.
- The processes in place for the collection and review of performance information and underlying data were not effective. The performance achievements were not always supported by valid and accurate information, as inconsistencies were identified between the reported achievements in the Annual Performance Report and the supporting information.
- The Action Plan developed did not adequately address the significant deficiencies in the controls for performance information, resulting in repeat findings being identified during the audit.
- The Department did not have a proper records management system to maintain information that supported the reported performance in the Annual Performance Report. This included information that related to the collection, collation, verification, storage, and reporting of actual performance information, which resulted in the material misstatements reported in the Annual Performance Report.

4. ENTITIES OF THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING

4.1. Council on Higher Education (CHE)

The Council on Higher Education (CHE) is a statutory body established in terms of the Higher Education Act (1997), as amended. It is mandated to advise the minister responsible for higher education on all matters pertaining to higher education, develop and manage the higher education qualifications framework and sub-framework, and develop and implement a suite of policies and criteria to facilitate the implementation of the framework and sub-framework and protect their integrity.

The mandate is further premised on key policies, namely the National Development Plan: Vision 2030, the White Paper for Post-School Education and Training, the National Plan for Higher Education, and the Medium-Term Strategic Framework 2019–2024: Priority 3: Education, Skills and Health.

4.1.1.Overview and assessment of the CHE's 2024/25 non-financial performance

For the 2024/25 financial year, the CHE had four budget programmes, namely, Management of HEQSF, Quality Assurance, Research, Monitoring and Advice, and Corporate. The programmes had 41 targets and achieved 39, or a 95 per cent achievement rate, representing a 2 per cent increase from 93 per cent in 2023/24.

Table 6: The CHE's programmes, with their related achievement against performance targets for the 2024/25 financial year

COUNCIL ON HIGHER EDUCATION AND TRAINING (CHE)	APP Targets 2024/25	Achieved	Not achieved	% Achievement
1. Management of the HEQSF	12	12	0	100%
2. Quality Assurance	9	8	1	89%
3. Research, Monitoring and Advice	8	8	0	100%
4. Corporate	12	11	1	92%
Overall Total	**41**	**39**	**2**	**95%**

Source: CHE (2025)

Selected key achievements:

- The programme accreditation turnaround time has been reduced from 18 months to a maximum of 8 months, and actually 6 months for most institutions.
- The institutional audits of all 26 universities have been completed. Over 50 private higher education audits have been initiated.
- Two national quality reviews have been initiated: A themed review on modes of provision and a qualifications review of initial teacher education qualifications.
- Several research reports, monitoring reports and articles were published, including a Good Practice Guide on the Award of Honorary Degrees and Honorary Professorships and Use of Associated Honorary Titles.

Target not achieved:

Programme 2: Quality Assurance: Sub-programme: Institutional Audits

- Number (10) of audit reports of completed Institutional Audits finalised and approved, within a particular financial year, achieved 8. The reason for the deviation was that the report for Sefako Makgatho University (SMU) was meant to be finalised in the fourth quarter of 2024/25. However, there were significant challenges with the quality of the SMU report produced by the review panel, leading to multiple iterations before the report could be sent to the institution for its review. Audit reports for some public higher education institutions have also been delayed, with the audits taking longer than anticipated to carry out.

Programme 4: Corporate: Sub-programme: Corporate Services

- Percentage (85%) of approved funded posts on the organisational structure that have incumbents throughout a particular financial year, achieved 83 per cent. It was noted that there were two terminations towards the end of the financial year, leaving little time to get replacement staff in place. One of the terminations was a retirement, and the other termination was a dismissal at the end of the probation process (non-confirmation of a permanent appointment).

4.1.2.Overview and assessment of CHE's 2024/25 budget allocation and expenditure

For the 2023/24 financial year, CHE's total budget amounted to R101.5 million (2023/34: R100.2 million), comprising R8.6 million of revenue from exchange transactions (R6.7 million from non-exchange and R1.9 million from interest received and other income) and R92.9 million from non-exchange transactions (R84.9 million of Government Grant, R3.6 million of Conditional Grant and R4.4 million, and surplus funds rolled over).

Total expenditure at the end of the financial year was R97.8 million, whereas underspending was R3.7 million. Underspending constitutes 3.6 per cent of the total budget for 2024/25. Expenditure on compensation of employees was R46.7 million (2023/24: R41.87 million), with overspending of R186 058. Spending on goods and services was R51.1 million (2023/24: R54.77 million), recording lower than projected spending of R3.9 million.

The overspending on compensation of employees was attributed to higher-than-budgeted employee costs, primarily due to unbudgeted bonus provisions.

Underspending on goods and services was attributed to the following:
Programme 1: Administration: less legal fees, less travel requested for all governance committee meetings because many were held virtually during the period under review, less spending due to late procurement of Books, and Periodicals and Promotional items, membership fees and subscription and advertising; less spending informed by less travel, and catering incurred for recruitment purposes, new employee relocation, Employee Wellness, Workmen's Compensation, payment for employees Bursaries and Training of employees; and repairs and maintenance been lower than budget due to savings in the maintenance costs during the year.

Programme 2: Quality Assurance: Less than budgeted spending on domestic travel for assessment of higher education institutions; less than budgeted payments made to Institutional Audit Committee members, Peer Academics and for Honoraria payments for working group members for National Review projects and activities; and less than budgeted spending for venue and catering.

Programme: Management of HEQSF: Less than budgeted spending in the following projects/activities: HEQCIS, Higher Institution Support, Quality Promotion, Partnership and Collaboration and Capacity Development.

Management of QAF Project: Less than budgeted spending for travelling, catering, peer academics and less than budgeted spending on domestic travel related to two projects (the International Network for Quality Assurance in Higher Education (INQAAHE) capacity development project and the Potential of Microcredentials in South Africa (PoMiSA) project).

4.1.3.Irregular, fruitless, and wasteful expenditure

For the 2024/25 financial year, the CHE incurred fruitless and wasteful expenditure to the value of R38 000. Of this, R33 000 was incurred due to cancelled accommodation for an employee and the private kilometre incurred on a CHE hired car. It was reported that the Financial Misconduct Committee (FMC) condoned the R33 000. The employee concerned with the cancelled accommodation was found guilty, and his probation period was not confirmed. His employment was terminated. The amount charged for private kilometres incurred was recovered from the employee.

R5 000 interest paid was under investigation and will be considered by the FMC in the 2025/26 financial year.

Irregular expenditure of R124 000 was incurred, resulting from:

- R15 000 payment to UNISA for decoloniality summer school was condoned after consideration by the FMC. The employee was not found guilty of negligence by the FMC, as the event did take place and the CHE representatives participated in the event.
- Website maintenance (R33 636) – the IT Administrator responsible for the website maintenance expense was dismissed in October 2024 for serious dereliction of duty, including this particular incident.
- Irregular expenditure amounting to R8 000 relating to the cancellation and booking of accommodation without following the SCM process. The case is still under investigation and will be considered by the FMC in the 2025/26 financial year.

Unauthorised expenditure amounting to R48 000 relating to a credit card transaction resulting from a forced withdrawal related to the abduction of an employee. R7 000 was condoned after consideration by the FMC, and the employee concerned was not found guilty of negligence. Unauthorised expenditure of R41 000 is still under investigation and will be considered by the FMC in the 2025/26 financial year.

4.1.4.Contingent liability

The CHE had unspent cash of R5,245,968 from the budget of the year under review. This unspent cash is ordinarily supposed to be transferred back to the National Treasury according to section 53(3) of the PFMA. The CHE will request the retention of these funds from the National Treasury after the audit to address budget pressures that the CHE is facing for the 2025-26 financial year.

4.1.5.2023/24 Audit outcomes

The CHE obtained a clean audit in 2024/25. The clean audit is highly commendable, given that it matched the performance of 95 per cent recorded in the year under review.

4.2. Future outlook

CHE funding requirements:
The budget of the CHE is under severe strain due to a range of factors, including the following:

The compensation of employees (COE) budget does not cater for the following:

- Some of the posts on the reviewed approved organisation structure.
- The annual performance bonus salary scales are based on the employee's annual performance outcomes and increase in the annual cost of living adjustments as determined by the Department of Labour, National Treasury, and Labour Unions.
- The ratio between COE and Goods and Services for the current year and the MTEF Period is 45 per cent for the COE and 55 per cent for Goods and Services.

The Goods and Services budget does not cater for/or is limited in relation to the following:

- All the institutional site visits that are required for effective implementation of the quality assurance functions, including the travel expenses associated with these.
- Quality assurance is a peer-driven exercise, and the budget for peer academics to be involved in quality assurance activities is limited. Additional functions and activities that the CHE is requested to undertake are outlined in the planned APP.

Therefore, an increased budget for the CHE is needed to enable it to effectively carry out the full scope and scale of its functions, and to specifically fund support for the new Transformation Monitoring and Oversight function.

4.3. South African Qualifications Authority (SAQA)

The South African Qualifications Authority (SAQA) is a statutory body established in terms of the South African Qualifications Authority Act (1995) and exists in terms of the National Qualifications Framework Act (2008), as amended. The authority is mandated to advise the minister on matters related to the national qualifications framework; oversee, liaise, and consult with quality councils on the implementation of the national qualifications framework; develop policies and criteria for the registration of qualifications; maintain a national learner records database; and conduct or commission research into matters related to the national qualifications framework.

4.3.1.Overview and assessment of SAQA's 2024/25 non-financial performance

For the 2024/25 financial year, SAQA had five budget programmes. The programmes had 23 APP targets and achieved 18 or 86 per cent, which is a regression from 92 per cent in 2023/24.

A summary of programme performance for the 2024/25 financial year is illustrated in Table 5 below.

Table 5: SAQA Programmes, with their related achievement against the performance targets for the 2024/25 financial year

SOUTH AFRICAN QUALIFICATIONS AUTHORITY (SAQA)	APP Targets 2024/25	Achieved	Not achieved	% Achievement
1. Administration and Support	7	7	0	100%
2. Registration and Recognition	1	0	1	0%
3. National Learners' Record Database	9	7	2	78%
4. Foreign Qualifications Evaluation and Advisory Services (DFQEAS)	2	2	0	100%
5. Research	2	2	0	100%
Overall Total	**21**	**18**	**3**	**86%**

Source: SAQA (2025)

Selected key achievements

- 255 qualifications were registered, and the three top fields include Business, Commerce and Management Studies; Health Sciences and Social Services; and Physical, Mathematical, Computer and Life Sciences.
- 24.5 million learners with achievements on the National Learners Records Database.
- 131 442 learners with achievements via Recognition of Prior Learning (RPL).
- 100 recognised professional bodies and 300 registered professional designations.
- SAQA completed 65 981 qualifications verification (68 per cent from public entities and 32 per cent from the private sector and individuals).
- 13 068 foreign qualifications were evaluated.
- 40 advocacy initiatives were conducted, reaching over 17 000 people.

Targets not achieved

Programme 2: Registration and Recognition

- Register of qualifications recommended by Quality Councils (QCs) that meet all SAQA's criteria within 70 working days of submission, achieved 224 (88 per cent). Thirty-one (31) of the CHE qualifications were registered outside the 70 working days.

Programme 3: National Learners' Record Database

- Implement a workflow tracking system for qualifications and part-qualifications. It was noted that the landing page for submission of qualifications and part-qualifications was created for QCTO and Umalusi. The workflow tracking system was not implemented for qualifications and part-qualifications.
- Finalise the Policy on the Misrepresentation of Qualifications. It was reported that a Task team was established to develop a policy on verifications and misrepresented qualifications. Consultations and initial draft developed. Further engagements were required.

4.3.2.Overview and assessment of SAQA's 2024/25 budget allocation and expenditure

For the 2024/25 financial year, SAQA's total revenue was R170.6 million (2023/24: R147.9 million), comprising R93.2 million of Government Grants, R49.9 million from the rendering of services, R10.4 million of interest received and R17.0 million from other income. The revenue increased by 15 per cent from 2023/24.

Expenditure at the end of the financial year amounted to R150.5 million or 88.2 per cent of the total revenue. Underspending at the end of the financial year amounted to R20.1 million.

Expenditure on employee costs amounted to R98.3 million (2023/24: R80.8 million), constituting 65 per cent of the total expenditure for 2024/25. Spending on other expenses amounted to R52.1 million (2023/24: R39.9 million). The underspending was mainly attributed to proceeds from the sale of the building.

4.3.3.Irregular, fruitless, and wasteful expenditure
For the 2024/25 financial year, SAQA did not incur irregular, fruitless and wasteful expenditures. There were no significant audit findings on the entity's annual financial statements and no deficiencies in its internal controls.

4.3.4.2024/25 Audit outcomes
SAQA obtained the third consecutive clean audit for 2024/25.

4.4. Quality Council for Trades and Occupations (QCTO)

The QCTO was established as a juristic person in 2010 in terms of the Skills Development Act (SDA), 1998 (Act No. 97 of 1998), as amended in 2008. The QCTO, as a quality assurance body, is responsible for a part of the National Qualifications Framework (NQF), which is the Occupational Qualifications Sub-Framework (OQSF). The QCTO performs its functions in accordance with the Skills Development Act, 1998, as amended and the National Qualifications Framework Act, 2008.

4.4.1.Overview and assessment of QCTO's 2024/25 non-financial performance
Table 6: The QCTO's programmes, with their related achievement against performance targets for the 2024/25 financial year

Programme	APP Targets 2024/25	Achieved	Not achieved	% Achievement
1. Administration	4	4	0	100%
2. Occupational Qualifications Management and Certification	8	7	1	88%
3. Occupational Qualifications Quality Assurance	11	11	0	100%
4. Research Analysis	2	2	0	100%
Total	**25**	**24**	**2**	**96%**

Source: QCTO (2025)

During this review period, the QCTO had 25 targets against the 2024/25 APP. The QCTO achieved 24 or 96 per cent of the planned targets, representing an increase of 4 per cent from 92 per cent achieved in 2023/24.

Key selected achievements

- Two (2) Strategic capacity building initiatives linked to the Occupational Qualifications Sub-Framework (OQSF) were implemented and reported on.
- 20 per cent of the change management strategy was implemented (Year 3)
- An additional 157 Occupational Qualifications in the reporting period were registered on the OQSF, contributing to 786 Occupational Qualifications (OQs) registered on the NQF.
- 6 933 Occupational Certificates were issued during 2024/25 compared to 4 904 in 2023/2024.
- 14 775 certificates were verified compared with 19 760 in 2023/2024.
- 2 685 Skills Development Providers (SDP) accreditation applications for Occupational qualifications were processed in 2024/25 compared with 2475 in 2023/2024.

- 2 089 Assessment Centre accreditation applications were processed in 2024/25 compared with 563 in 2023/2024. Four research reports were approved (The Articulation Project, the Quality Assurance, the Assessment Report, and the International RPL Benchmarking Report).

Targets not achieved

- Percentage (80%) of prioritised developed occupational qualifications and part qualifications processed (Approved and/or declined for recommendation to SAQA for registration on the OQSF) within 90 working days, achieved 60 per cent due to one batch of qualifications not being processed within the turnaround time

4.4.2. Overview and assessment of the QCTO's 2024/25 budget allocation and expenditure

For the 2024/25 financial year, the QCTO's total revenue amounted to R174.2 million (2023/24: R162.9 million), which includes R19.9 million of revenue from exchange transactions and R154.2 million from non-exchange transactions. The Departmental subsidy and transfers amount to R154.1 million, which constitutes 88 per cent of the QCTO's total revenue during the year under review. Total expenditure amounted to R179.1 million, recording an overspending of 3 per cent or R4.9 million.

Expenditure on employee costs amounted to R84.7 million (2023/24: R77.6 million) and goods and services amounted to R94.4 million (2023/24: R76.0 million).

4.4.3. Unauthorised, irregular, fruitless and wasteful expenditure

QCTO did not incur unauthorised, irregular, fruitless and wasteful expenditures during the period under review.

4.4.4. 2024/25 Audit outcomes

The QCTO obtained the ninth consecutive clean audit opinion for the 2024/25 financial year. Remarkably, the clean was matched by the performance of the predetermined objectives. The AG has not identified material findings on the QCTO's annual financial statements, predetermined objectives, compliance with legislation, and the internal controls environment.

5. OBSERVATIONS AND KEY FINDINGS

The Committee, having assessed the 2024/25 Annual Reports of the Department and entities, recommends that the Minister of Higher Education and Training and the Minister of Finance consider the following:

Department of Higher Education and Training

5.1. Programme 1: Administration

5.1.1. Senior management's failure to adequately implement the remedial actions outlined in the audit action plan significantly contributed to the recurrence of previously identified issues during the year under review.

5.1.2. The continued under-achievement of targets related to supporting business owned by women, youth and people living with disabilities remains a serious concern. Despite the Committee's previous recommendations that the Department strengthen its collaboration with non-profit organisations (NPOs), the Department of Women, Youth and Persons with Disabilities (DWYPD), to ensure the economic empowerment of people with disabilities.

5.1.3. Despite the Department achieving a clean audit opinion on its financial statements, the persistent deficiencies in reported performance information and internal controls undermine the Department's broader objective of attaining a clean audit outcome of both financial statements and reported information.

5.1.4. Delays in filling vacant positions continue to pose a significant challenge, leading to persistent underspending on compensation of employees. This issue is exacerbated by the centralisation of the recruitment process at Head Office, which currently operates with limited capacity in its recruitment unit. This constraint negatively impacts service delivery.

5.1.5. Poor consequence management against Department officials who transgress regulations, act negligently or consistently underperform undermines accountability. When such transgressions go unaddressed, it signals weak leadership from senior management, eroding public trust and enabling a culture of underperformance to persist.

5.1.6. The appointment of foreign nationals to non-scarce and critical skills positions in the PSET sector is a violation of legislation. This practice undermines opportunities for qualified South African citizens, especially in positions where local talent is readily available. The Employment

Service Act, 2014, prohibits employers from unfairly prioritising foreign nationals over South Africans in positions that do not require scarce and critical skills.

5.1.7. The significant weaknesses identified by the AG in the Department's IT, which affected performance reporting, particularly in the business continuity planning and user access management, including the prolonged delay in filling the Department's Head of IT position, were deeply concerning.

5.2. Programme 3: Planning, Policy and Strategy

5.2.1. The Department recorded one of its poorest performances since inception during the 2024/25 financial year. Of the 96 planned targets, only 46 were achieved, representing a success rate of just 49 per cent. The Department's Planning Branch acts as the strategic nerve centre for planning and overseeing the implementation of projects to achieve the Department's mission and strategic goals. However, the Branch recorded a dismal performance of 31 per cent during the year under review, which suggests major issues in implementation and oversight.

5.2.2. The PSET sector has a severe shortage of student housing, and many students are forced into substandard living conditions, which expose them to health risks, insecurity and emotional stress, and negatively impact their academic performance. Despite available funding for infrastructure development, delays in transferring it to institutions stall critical housing projects.

5.2.3. The three-year delay by Gert Sibande and Majuba TVET colleges in commencing with the construction of student housing was deeply concerning, given that the colleges received funding allocation in 2022/23 and 2024/25. Furthermore, the Department reported that both colleges were awaiting Ministerial approval and that senior debt funding was yet to be unlocked for the 3,000 student units for the two colleges.

5.2.4. The Skills Development Act of 1998's lack of clear provisions on who holds the legal authority to register Skills Development Providers was raised. It was stated that registration of SDPs is the Department's responsibility, not the QCTO's. Despite this, the responsibility has shifted to QCTO, creating confusion and frustration among SDPs who are unsure where to register or who holds the final authority.

5.2.5. The Department was ambitious in aiming to construct four Community Learning Centres (CLCs) in 2024/25. The target was set without securing the necessary budget, undermining credibility and delaying the construction of the much-needed infrastructure for the CET sector.

5.2.6. The Department developed targets that were not specific, measurable, achievable, relevant and time-bound (SMART). Some of the targets were also vague, lacked detailed action, and their achievement hinged on the actions of other institutions. A typical example of Imbali Education and Innovation Precinct was used, where the Department planned for its completion by 31 March 2025, while the Durban University of Technology (DUT) reported delays primarily due to difficulties in evicting illegal occupants from the Imbali Lodge, a property acquired with the intention of converting it into student accommodation.

5.2.7. The prolonged delay in developing and implementing an integrated Learner Management Information System (LMIS) poses a significant challenge to the integrity and efficiency of skills development initiatives across Post-School Education and Training (PSET) institutions. Without an integrated system, it is difficult to identify learners who enrol in multiple skills development programmes simultaneously, potentially misusing resources intended for broader access. Furthermore, institutions operate in silos, making it difficult to track learner progress, avoid duplication, and ensure equitable distribution of opportunities.

5.2.8. Some universities have reportedly withdrawn from the Student Housing Infrastructure Programme (SHIP) due to high repayment interest rates on the Development Bank of Southern Africa (DBSA) loans. It was noted that the loans from the Departmental-led programmes can be more expensive than those from financial institutions.

5.2.9. The Department continues to demonstrate inadequate strategic oversight in its role to lead, coordinate, and support PSET institutions. This undermines the sector's ability to deliver on its mandate effectively. The AG has repeatedly flagged concerns within the DHET portfolio. The recurrence of these findings suggests systemic weaknesses in governance, financial management, and performance monitoring.

5.3. Programme 3: University Education

6.1.1. The Department attributed the failure to achieve most of the targets under this programme to budgetary constraints. However, the Committee finds this justification unconvincing, as the programme's budget allocation aligns with the Medium-Term Expenditure Framework (MTEF) projections established in the previous financial year. Furthermore, the targets were set with full cognisance of these MTEF projections, suggesting that the Department should have anticipated and planned accordingly within the available fiscal parameters.

6.1.2. Concerns were raised in relation to the state of the National Student Financial Aid Scheme (NSFAS)'s ability to manage payments to private accommodation providers, with many providers reporting unpaid invoices, including irregularities in the accreditation of private accommodation providers, delayed payment of allowances and defunding of students in the middle of an academic year.

6.1.3. Delays by NSFAS in implementing the loan scheme aimed at supporting missing middle students have contributed to financial exclusions and ballooning student historic debt. Applicants for the loan scheme are still waiting for confirmation and payments since the beginning of 2025.

6.1.4. It has been noted with concern that universities maintain historical records of students with outstanding debts. However, NSFAS has been battling to access these records to finalise the close-out report due to unjustifiable delays by some universities in providing these records for reconciliation purposes.

6.1.5. Universities' practice of withholding certificates of students who owe outstanding debt negatively impacts their ability to further their studies or seek employment opportunities. Employers often require certificates during recruitment. Graduates without these documents may be disqualified from jobs they otherwise qualified for.

6.1.6. Universities contribute to the growing student debt of NSFAS beneficiaries by placing students in university-owned and leased residences that charge accommodation fees above the NSFAS cap. Consequently, these students exit the system with outstanding debt. These students are from poor and working-class households and cannot afford to pay off debt.

6.2. Programme 4: Technical and Vocational Education and Training

6.2.1. The overall improvement in the audit outcomes of TVET Colleges is highly commendable. Notably, the number of colleges achieving clean audit outcomes rose from five in 2023/24 to twelve in 2024/25, reflecting strengthened financial management, compliance, and oversight across the sector.

6.2.2. The NC(V) and Report 191 certification and Diploma backlogs negatively impact students by preventing them from furthering their studies or seeking employment opportunities. Despite multiple commitments from the Department, the backlog has not been fully resolved.

6.2.3. Students enrolled in Report 191/ NATED programmes are required to complete a practical component to fulfil their qualification requirements. Inadequate placement of TVET college students into workplaces hinders their progression in completing their practical component of their programmes and delays their graduation.

6.2.4. The Committee has raised serious concerns regarding the insufficient support provided to colleges, particularly in the area of infrastructure maintenance. During its oversight visit to KwaZulu-Natal, the Committee noted that many colleges did not have maintenance plans in place to guide the upkeep of their facilities. In cases where maintenance plans exist, they are often inadequately implemented, leading to deteriorating infrastructure and compromised learning and living environments.

6.2.5. There were serious allegations of irregularities and misconduct levelled against the Chief Financial Officer (CFO) of Motheo TVET college and the Principal of the College of Cape, who are foreign nationals. However, there has been slow progress in holding these individuals accountable for their alleged misconduct.

6.2.6. The TVET management information system has not been functioning since 2022, and this affects the reporting of performance information of the TVET system and planning due to inadequate data.

6.3. Programme 5: Skills Development

6.3.1. The lack of buy-in from SETAs regarding the roll-out of an integrated learner management system that will assist in mitigating against learnerships hopping and wasteful resource allocation is a serious concern.

6.3.2. SETAs reportedly held R40 billion in unspent cash reserves during the 2024/25 financial year, raising serious concerns amid high youth unemployment and R17 billion in student debt. This revelation, attributed to the Auditor-General's findings, underscores a troubling disconnect between available funding and urgent national priorities.

6.4. Programme 6: Community Education and Training

6.4.1. CET colleges serve as a vital platform for lifelong learning, offering second-chance education and skills development to adults and out-of-school youth. These institutions play a transformative role in enhancing livelihoods, fostering personal growth, and expanding employment opportunities. Despite their importance, CET colleges face persistent challenges, most notably chronic underfunding. This financial strain hampers their ability to attract and retain learners and to offer responsive programmes. The funding model of the CET sector is unsustainable and a hindrance to its expansion and growth. In 2024/25, the CET sector received a budget of R3.1 billion, out of which 93 per cent was spent on compensation of employees, leaving insufficient funding to support teaching and learning needs.

6.4.2. The CET sector faces significant challenges due to insufficient student support services, particularly for underperforming learners, which manifests itself in high dropout rates of students during the middle of each academic year, given the absence of targeted interventions for struggling students.

6.4.3. The CET sector does not have an approved organogram structure, which results in inadequate human resource capacity at the CET Colleges' Head Offices and Learning Centres. Many CET employees are underpaid due to the number of working hours, and others have not received acting allowances for many years. This has led to dissatisfaction and low morale across the sector.

6.4.4. The General Education and Training Certificate (GETC) certification backlog negatively impacts students by preventing them from furthering their studies or seeking employment opportunities.

6.4.5. The Department's interventions towards making CET colleges institutions of choice for many out-of-school youth and unemployed adults have not yielded desirable outcomes.

6.4.6. Over 95% of CET activities occur in school buildings, which are typically designed for children and not conducive to adult learning. This mismatch discourages adult participation and undermines the sector's goals. The Department failed to deliver on its plan to build four CET colleges during the review period. These colleges were intended to provide purpose-built environments for adult education. The Department's explanation for this failure was inconsistent and unclear, leading to further uncertainty and eroding trust in its planning and execution.

ENTITIES

6.5. Council on Higher Education

6.5.1. The Committee commended the entity for achieving a clean audit outcome, reflecting sound financial management and governance. Notably, the entity achieved 95 per cent of its performance targets, demonstrating a strong commitment to service delivery and operational excellence.

6.5.2. The Committee expressed serious concern over reports that certain private higher education institutions are offering programmes not accredited by the CHE. The Committee was concerned that these institutions mislead prospective students by falsely implying that their programmes are accredited, resulting in time and financial loss.

6.5.3. It was noted with concern that, although the CHE had been allocated an additional mandate by the Department to execute transformation oversight in the sector, the funds did not follow the function. This lack of additional funding poses a significant challenge to the effective execution of the additional responsibility entrusted to the entity.

6.5.4. The entity continues to face limitations in its internal staffing capacity, particularly in executing critical functions such as institutional audits. As a result, it remains heavily reliant on external consultants to fulfil these roles. The Committee expressed concern regarding the sustainability and effectiveness of this arrangement, noting that the absence of requisite internal personnel may hinder the entity's ability to execute its mandate optimally and maintain institutional continuity.

6.6. Quality Council for Trades and Occupations

6.6.1. The entity has achieved its ninth consecutive clean audit since its inception, a testament to its commitment to sound financial management, transparency, and accountability. This consistent excellence in audit outcomes reflects a robust internal control environment and disciplined operational practices.

6.6.2. It was observed with concern that the entity is unable to fill vacant positions in accordance with its approved organisation structure, which provides for a total of 265 employees. Due to funding constraints, 131 positions remain unfunded, severely limiting the entity's capacity to operate at its intended staffing level.

6.6.3. Persistent delays in issuing certificates to learners who complete learnerships and occupational programmes continue to be a serious concern.

6.6.4. The entity received commendation for consistently upholding high standards in the assessment and accreditation of occupational programmes, reflecting its commitment to quality education and training.

6.7. South African Qualifications Authority

6.7.1. The entity's attainment of a clean audit outcome for the year under review, coupled with an 86 per cent achievement of its performance targets, was positively received and commended.

6.7.2. The entity was commended for the successful development and implementation of Project Phoenix, which generated R20 million within just nine months of becoming operational. The project plays a pivotal role in enhancing the verification process for qualifications, part-qualifications and other learner achievements, thereby strengthening the integrity and efficiency of the processes. Notably, Project Phoenix originated from a recommendation made by the Committee, and the entity's decision to adopt and execute this proposal reflects a commendable responsiveness to strategic guidance and oversight.

6.7.3. Despite operating under severe budgetary constraints, the entity successfully navigated a period of financial losses during the COVID-19 pandemic, which regrettably necessitated the retrenchment of 100 staff members. The Committee commended the entity's management for implementing robust recovery measures and strategic interventions that safeguarded the integrity of the NQF. These efforts ensured that the core mandate of the entity remained uncompromised, despite the challenges posed by limited financial and human resources.

6.7.4. The increase in legal fees from R2.5 million in 2023/24 to R3 million in 2024/25 is cause for concern. The increase is attributed to the entity being joined in litigation cases by multiple parties, students, training providers and universities. A concern was raised that the entity's resources are diverted to legal defence, which could potentially impact service delivery or strategic initiatives. If this practice continues, the entity's future budget may be strained even further.

6.7.5. The increase in the number of people who misrepresent or falsify their qualifications to secure employment was highlighted as a serious concern, as it undermines the integrity of recruitment processes and may impact service delivery, as people who lack the necessary skills or experience will occupy critical positions.

7. CONCLUSION

During the 2024/25 financial year, the Department's appropriation was R136.9 billion, inclusive of voted funds and skills levies, and it had spent R136.7 billion, recording an underspending of R139.7 million. The Department applied virements amounting R249.9 million, mainly to Programme 4: Technical and Vocational Education and Training to fund a budget shortfall on Examination and Assessment operational expenditure, while the Virement to Programme 6: Community Education and Training from internal reprioritisation of unspent Infrastructure Funds on Community Education and Training colleges towards transfers to Community Education and Training colleges for Learning and Teaching Support Materials. Savings on Compensation of Employees were the result of vacant posts on the Departmental Staff Establishment that could not be filled as planned, and concomitant savings as a result thereof. Savings on Buildings and Infrastructure were also apparent due to the slower-than-planned implementation of the CET Infrastructure project.

The Department's annual performance dropped from 56 per cent in 2023/24 to 49 per cent in 2024/25, marking a 10 per cent decline. The Department has shown consistent underperformance over the past three financial years. The Committee was concerned about the stagnation in audit outcomes of the Higher Education and Training Portfolio. Persistent audit findings in the reported performance information of the Department suggest systemic weaknesses in oversight and accountability. The AG identified significant weaknesses in the Department's IT, which affected performance reporting, particularly in business continuity planning and user access management, including the prolonged delay in filling the Department's Head of IT position. It was noted that the management information systems of the Department were non-functional, affecting record keeping, data reliability and operational efficiency. Inadequate business continuity plan measures can leave the Department vulnerable during disruptions, for example, in the event of cyberattacks or system failures. The Committee is committed to monitoring the audit action plan of the Department.

The Committee expressed concern over the lack of clarity in the Skills Development Act regarding who holds legal authority to register Skills Development Providers (SDPs). Initially, the Department was understood to be responsible. However, the responsibility was shifted to QCTO, causing confusion and frustration among SDPs, who are uncertain about the correct registration authority. The Committee called for clear provisions to be included in the revision of the Act to eliminate ambiguity and ensure a proper registration process.

The Committee was pleased with the audit outcomes of the CHE, QCTO and SAQA. The three entities obtained clean audit outcomes, with the QCTO obtaining its ninth clean audit. The Committee noted that the clean audits, coupled with good performance, reflected sound financial management and governance, as well as demonstrating a strong commitment to service delivery and operational excellence.

The Committee is committed to supporting the three entities in their quest for additional funding to execute their mandates, including the unfunded mandates.

8. RECOMMENDATIONS

The Committee, having assessed the 2024/25 Annual Reports of the Department and entities, recommends that the Minister of Higher Education and Training and the Minister of Finance consider the following:

Department of Higher Education and Training

8.1. Programme 1: Administration

8.1.1. The Department must urgently address the backlog in filling critical vacant positions across its structures and within Technical and Vocational Education and Training (TVET) colleges, especially since the DPSA moratorium was lifted. To accelerate recruitment, the Department should decentralise hiring processes to regional offices, enabling faster turnaround times and improved responsiveness to local staffing needs.

8.1.2. The Department should take immediate steps to improve the working conditions of CET college employees. The Department should engage the National Treasury for additional funding to implement the CET colleges pending organogram to adequately improve human resource capacity at CET college head offices and community learning centres.

8.1.3. In enhancing procurement opportunities for Businesses owned by Persons with disabilities, the Department, in collaboration with the DWYPD, the Departments of Small Businesses and Trade and Industry and Competition, should implement targeted measures to ensure that businesses of persons with disabilities benefit from public procurement processes.

8.1.4. In light of the recurring audit findings, it is imperative that senior management enforce robust consequence management measures against officials who consistently underperform in their duties, thereby impeding the Department's ability to deliver on its mandate effectively. Holding individuals accountable will not only reinforce a culture of performance and responsibility but also contribute to improved governance and service delivery.

8.1.5. To strengthen internal control deficiencies and work toward a clean audit, the Department should implement a structured and proactive approach.

8.1.6. The Department should put measures in place to address the significant weaknesses identified by the AG in the Department's IT and expedite the process of appointing the Head of IT.

8.2. Programme 2: Planning, Policy and Strategy

8.2.1. The Planning, Policy and Strategy programme must receive immediate focus as it is this programme that underpins the work of the department. Underperformance in this programme has a knock-on effect on all other programmes and cannot be accepted at the current levels of target attainment.

8.2.2. The Planning Branch should ensure that consultations are conducted with the AGSA prior to finalising the targets for the 2026/27 Annual Performance Plan (APPs). This process is essential to align performance indicators with audit expectations and enhance accountability. Once finalised, these targets should be submitted to the Department's Executive Authority for approval.

8.2.3. Key performance targets for outcomes that are not under the control of the Department should be removed and replaced with targets that are relevant and measurable, and specifically aligned to the Programme Purpose and Objectives of the Department as laid out in the Annual Performance Plan.

8.2.4. The Department needs to find ways of making the student housing infrastructure programme (SHIP) affordable to enable universities to expand the infrastructure programme.

8.2.5. To enhance the effectiveness of infrastructure efficiency grants allocated to PSET institutions, the Department ensures that institutions are equipped with adequate project management resources to successfully plan, execute and monitor infrastructure development projects. Furthermore, the Department should monitor implementation of maintenance plans to ensure efficient use of public funds and reduce infrastructure decay.

8.2.6. The Planning Branch should conduct a comprehensive review of the Department's performance for the year under review. This evaluation must identify recurring areas of underperformance and inform the development of targeted corrective measures to improve operational efficiency and enhance service delivery.

8.2.7. The Department should strengthen its oversight and monitoring of PSET institutions to improve accountability and overall performance.

8.2.8. The Department, in its review process of the Skills Development Act of 1998, should include clear provisions on who holds the legal authority to register Skills Development Providers. The legislative clarity will eliminate tensions between QCTO and SDPs, including delays in registration.

8.3. Programme 3: University Education

8.3.1. The Department should implement robust monitoring mechanisms to assess the operational and financial health of NSFAS. Proactive support should be provided to ensure that the entity fulfils its mandate effectively, particularly in administering student funding and maintaining accountability.

8.3.2. The Department should actively collaborate with universities to ensure that NSFAS-funded students are placed only in accommodation facilities that charge within the NSFAS threshold. This will mitigate against students incurring accommodation-related debt that exceeds their funding allocation and face financial exclusion in the new academic year.

8.3.3. Building in-house capacity at NSFAS to insource the outsourced function to third-party solution providers should be considered, as it will enhance controls, accountability and long-term sustainability. This will ensure uninterrupted service delivery while significantly improving the living and learning conditions for students, fostering a more supportive and productive educational environment.

8.4. Programme 4: Technical and Vocational Education and Training

8.4.1. The Department should speed up the process of eradicating the NC(V) and Diploma certification backlog. Efficient systems and accountability mechanisms must be implemented to ensure that candidates receive their certificates within three months after completion of their studies.

8.4.2. TVET colleges should be supported in establishing and expanding partnerships with industry. These partnerships are essential for increasing student access to work-integrated learning (WIL) opportunities, which bridge the gap between theoretical knowledge and practical experience.

8.5. Programme 5: Skills Development

8.5.1. The Department should issue a circular to SETAs to instruct them to halt any procurement processes related to the acquisition or development of a learner management information system (MIS). The directive will be in recognition of the integrated MIS currently being developed by the MICT SETA for the broader PSET system, which will serve as a unified platform for learner data management.

8.5.2. SETAs should be directed to prioritise the use of their unspent financial reserves towards programmes that directly benefit unemployed youth and adults. These funds should be channelled into initiatives that promote re-skilling and upskilling, thereby enabling these individuals to become active and productive participants in the economy.

8.5.3. SETAs hold significant unspent cash reserves, funds originally earmarked for skills development and training. A strategic portion of these reserves could be redirected to address the mounting student debt crisis at institutions of higher learning. This will empower graduates to enter the workforce, contribute to the economy, and reduce dependency on social support.

8.6. Programme 6: Community Education and Training

8.6.1. The Department should actively engage the National Treasury to secure additional financial resources. Enhanced funding will enable the sector to build new infrastructure and also improve the existing facilities, to expand programme offerings and elevate the quality of teaching and learning. The investment is critical in positioning CET colleges to become institutions of choice for out-of-school youth and unemployed adults, seeking skills development and lifelong learning opportunities.

8.6.2. The backlog in issuing General Education and Training Certificate (GETC) qualifications must be addressed as a matter of urgency. Timely access to certification is essential for students to pursue further education, apply for jobs, and validate their learning achievements. Delays undermine the credibility of the CET system and hinder students' ability to transition into productive pathways.

ENTITIES

8.7. Council on Higher Education

8.7.1. The CHE should initiate robust outreach and advocacy programmes aimed at increasing public awareness of its mandate, services, and complaint mechanisms.

8.7.2. A comprehensive review of the Higher Education Act must be prioritised to empower the CHE with stronger regulatory authority. The revised legislation should enable the CHE to take decisive remedial action against institutions offering unaccredited or substandard programmes, thereby safeguarding the integrity of the higher education system.

8.8. Quality Council for Trades and Occupations

8.8.1. The QCTO, in collaboration with SETAs, should prioritise the elimination of the certification backlog for occupational programmes and skills programmes.

8.9. South African Qualifications Authority

8.9.1. The entity should formally present Project Phoenix to the Minister to secure enhanced support for funding. This engagement will ensure high-level endorsement and facilitate optimal implementation of the project's objectives.

8.9.2. The entity should launch a robust advocacy initiative to promote the entity's role in safeguarding qualification integrity. These initiatives should highlight current measures to deter fraudulent qualifications and reinforce public trust in the entity's mandate.

8.9.3. The entity should expedite the process of acquiring new premises to reduce long-term rental expenditures. Ownership of property will contribute to financial sustainability and operational stability.

The Minister should submit a progress report on the implementation of the Portfolio Committee's recommendations, within three months of the National Assembly adopting the Report.

Report to be considered.