

INTEGRATED ANNUAL REPORT 2024/25



NAVIGATING THIS REPORT

For ease of understanding and navigating this report, visual icons have been included throughout the report to indicate where these capitals are addressed.

THE CAPITALS

The GMA's success in achieving its purpose, not only now but in the future, is dependent on effectively managing the six capitals available to it through value-adding business activities and outputs, and the shared-value outcomes the GMA delivers.

The six capitals, defined in relation to GMA's business context, are:



HUMAN CAPITAL

GMA's employees' skills, experience, collective knowledge and skills, to implement the Agency's strategy. It is critical to ensure resources are available to support the business model, achieve outcomes and outputs.



SOCIAL AND RELATIONSHIP CAPITAL

GMA's stakeholder relationships and key partnerships, including the GMA communities, Gautrain users and the communities in which the Agency operates in. This also includes stakeholder relationships and engagement, corporate reputation and values.



FINANCIAL CAPITAL

The pool of funds made available to the GMA for provision of services. These include allocations from the Gauteng Provincial Treasury, profits received from commercial activities. The financial capital generates the ability that enables the Agency's business and operating activities.



INTELLECTUAL CAPITAL

The knowledge across the business, systems, processes, trademarks, intellectual property, reputation, expertise, sound corporate governance practices, the GMA and Gautrain brands. These create value for the Agency, improve efficiency and harnesses innovation capabilities.



NATURAL CAPITAL

The direct use and impact of natural capital in the GMA operations and how it supports natural capital through its business activities. Gautrain's reliance on a stable supply of electricity, contribution to the decrease in carbon emissions etc. relate to natural capital.

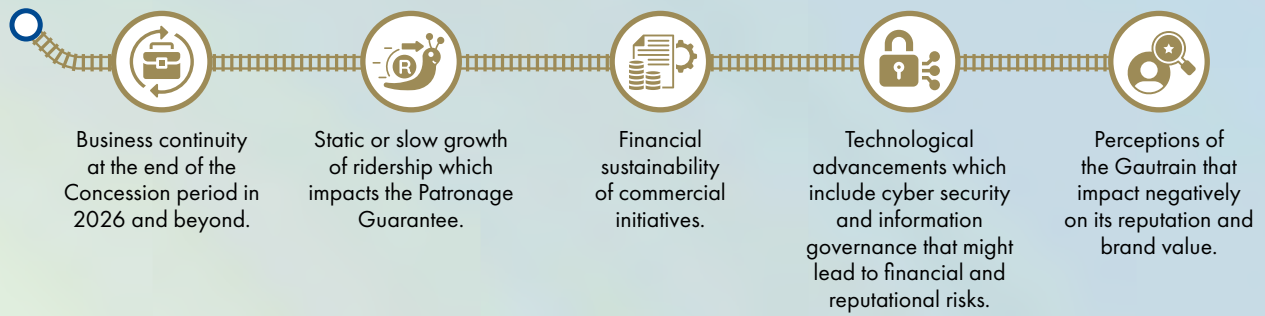


MANUFACTURED CAPITAL

GMA's infrastructure, systems, rolling stock, buses, midibuses, and other physical assets supporting the day-to-day operations of Gautrain and GMA.



MATERIAL MATTERS



STRATEGIC OUTCOMES

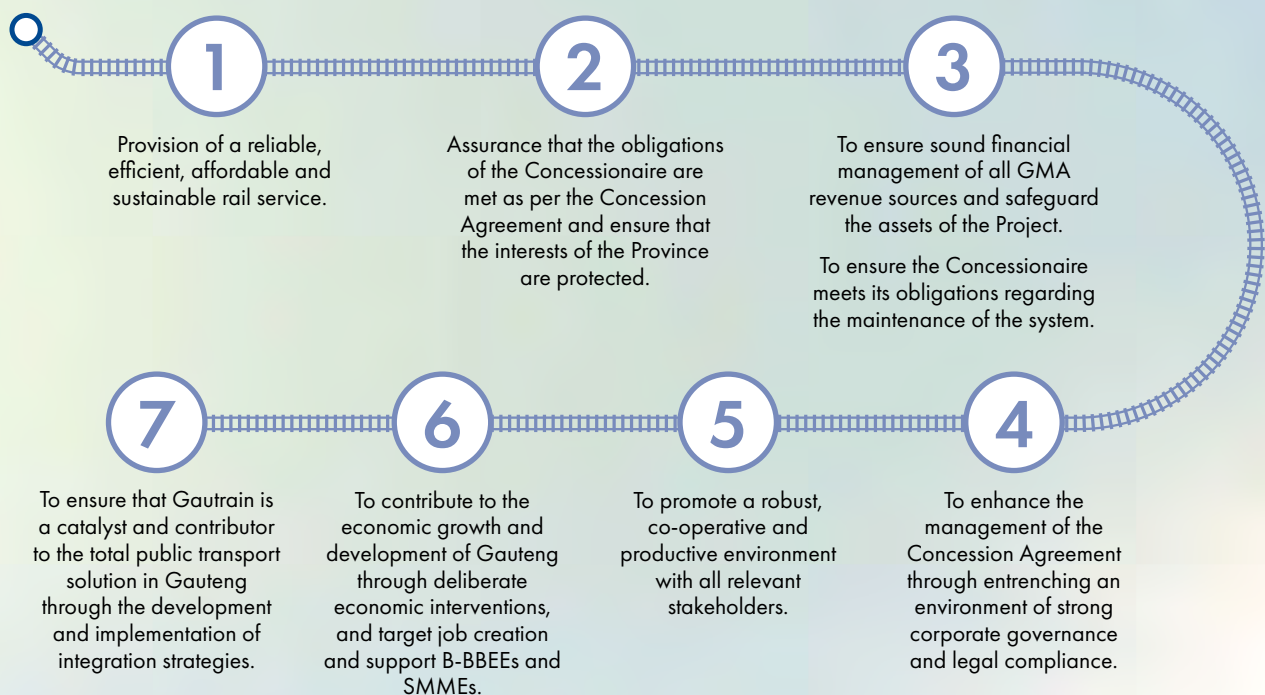


TABLE OF CONTENTS

A ABOUT THIS REPORT 8

1	Boundary and Scope	9
2	Approach to Creating Value	9
3	Reporting Framework	9
4	Materiality	9
5	Combined Assurance	10
6	Outlook	10
7	Board Responsibility Statement	10
8	Highlights of Sustainable Value Created	11

B LEADERSHIP REFLECTIONS 12

1	MEC's Foreword	13
2	Chairperson's Foreword	14
3	CEO's Outlook	16

C GMA AT A GLANCE 18

1	Understanding the GMA	19
2	The GMA Values	19
3	The GMA in Relation to the Gautrain Project	19
4	Legislative Mandate and Other Mandates	20
5	Organisational Structure	21
6	Engaging with Stakeholders	22

D GOVERNANCE, LEADERSHIP AND ETHICS 25

1	Protecting Value through Sound Governance	26
2	Promoting an Ethical Culture	39
3	B-BBEE Compliance Performance Information	42
4	Supply Chain Management Report	43



E HOW THE GMA CREATES VALUE (STRATEGY) 44

1	Auditor-General's Report: Predetermined Objectives	45
2	Situational Analysis	45
3	Delivering Value Through the Business Model	46
4	GMA's Material Matters Relating to Resource Allocation	48
5	Key Policy Developments and Legislative Changes	48
6	Managing GMA Risks and Opportunities	49

F PERFORMANCE INFORMATION 57

1	Outcomes, Outputs, Output Indicators, Targets and Actual Achievements	58
2	Linking Performance with Budget	64
3	Capital Investment	64

G PERFORMANCE REVIEW 65

1	GMA Performance	66
2	Gautrain Operations Performance	75

H MANAGING HUMAN CAPITAL 83

1	GMA Employee Profile	84
2	Key Initiatives Undertaken During the Financial Year	85
3	Human Capital Statistics	86

I STRATEGIC OUTLOOK 90**J FINANCIAL INFORMATION 92****K ANNEXURE: GMA'S KING IV™ APPLICATION AND DISCLOSURE REGISTER FOR THE 2024/25 FINANCIAL YEAR 152**

1	Introduction	153
2	King IV™ Application and Disclosure	153
3	Conclusion	159



LIST OF FIGURES

Figure 1:	GMA organisational structure	21	Figure 9:	Risk maturity transition	49
Figure 2:	Stakeholder universe	22	Figure 10:	Enterprise-Wide Risk Management Framework	50
Figure 3:	Board's governance responsibilities and governance outcomes	27	Figure 11:	Classification of risks	50
Figure 4:	GMA corporate governance structure	28	Figure 12:	Constraints	53
Figure 5:	Board age diversity	29	Figure 13:	Total train passenger trips for all rail services by month	75
Figure 6:	Gender diversity	29	Figure 14:	System revenue	78
Figure 7:	Ethics-related codes and policies	40			
Figure 8:	Management of conflict of interest	41			



LIST OF TABLES

Table 1:	Combined assurance model	10	Table 17:	Agency services profit for the 2024/25 financial year	74
Table 2:	Legislation and mandates applicable to GMA	20	Table 18:	Passenger trips for the financial year	75
Table 3:	GMA stakeholder profile	23	Table 19:	Total bus passenger trips	76
Table 4:	Documents submitted to the Executive Authority	26	Table 20:	Penalty percentage summary by measurement group	77
Table 5:	Board policies	33	Table 21:	Preference and usage change by product for 2024/25	78
Table 6:	Board processes	34	Table 22:	Personnel cost by programme/activity/objective	86
Table 7:	Board, Board committees and Board Advisors' membership and attendance	35	Table 23:	Personnel cost by salary band	86
Table 8:	Top five strategic risks	51	Table 24:	Performance rewards	86
Table 9:	GMA combined heat map as at 31 March 2025	53	Table 25:	Equity targets	86
Table 10:	Opportunity categories	54	Table 26:	Employment and vacancies	87
Table 11:	Passenger trips per financial year	55	Table 27:	Employment changes	87
Table 12:	Safety hazards/incidents	66	Table 28:	Employment and vacancies	88
Table 13:	Significant environmental emergency events	66	Table 29:	Training costs	88
Table 14:	Summary of the SED achievements for April 2024–March 2025	68	Table 30:	Reason for leaving	89
Table 15:	Achievements from operating period until end of March 2025	69	Table 31:	Labour relations: Misconduct and disciplinary action	89
Table 16:	Renewals and permit comparison	74	Table 32:	Composition of the committee and attendance of meetings	97



ABBREVIATIONS

AMMP	Asset Management and Maintenance Plan
APP	Annual Performance Plan
APS	Airport Passenger Service
AVE	Advertising Value Equivalency
B-BBEE	Broad-Based Black Economic Empowerment
BCC	Bombela Concession Company (Pty) Ltd
BE	Black Enterprises
BOC	Bombela Operating Company
CA	Concession Agreement
CAE	Chief Audit Executive
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COCA	Close-out of the Concession Agreement
COO	Chief Operating Officer
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
DFDS	Dedicated Feeder and Distribution Services
DLTC	Drivers' License Testing Centre
DoA	Delegation of Authority
ESG	Environmental, Social, and Governance
ECTA	Electronic Communication and Transactions Act, No. 25 of 2002
ELDP	Executive Leadership Development Programme
EMP	Environmental Management Plan
EMV	Europay Mastercard Visa
ePMO	Enterprise Portfolio Management Office
EWRM	Enterprise-Wide Risk Management
FAC	Finance and Asset Committee
FY	Financial Year
GDRT	Gauteng Department of Roads and Transport
GIBS	Gordon Institute of Business Science
GIS	Geographic Information System
GMA	Gautrain Management Agency
GMA Act	Gautrain Management Agency Act, No. 5 of 2006
GPG	Gauteng Provincial Government
GPS	General Passenger Service
GRAP	Generally Recognised Accounting Practice
GRRIN	Gauteng Rapid Rail Integrated Network
GTA Act	Gauteng Transport Authority Act, No. 2 of 2019
GTI Bill	Gauteng Transport Infrastructure Amendment Bill
GTIA	Gauteng Transport Infrastructure Act, No. 8 of 2001
HCRC	Human Capital and Remuneration Committee

HDI	Historically Disadvantaged Individuals
IA	Internal Audit
ICT	Information and Communication Technology
IIA	Institute of Internal Auditors
IFM	Integrated Fare Management
IMS	Integrated Management System
ISEM	Independent Socio-Economic Monitor
ISO	International Organization for Standardization
ITMP25	25-Year Integrated Transport Master Plan for Gauteng
KM	Knowledge Management
MANCO	Management Team
MEC	Member of the Executive Council
MFDS	Midibus Feeder and Distribution Service
MICE	Meetings, Incentives, Conventions and Exhibitions
MOU	Memorandum of Understanding
MRTR	Minimum Required Total Revenue
MTSF	Medium-Term Strategic Framework
NLTA	National Land Transport Act, No. 5 of 2009
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act, No. 1 of 1999
PG	Patronage Guarantee
PPP	Public-Private Partnership
PPFA	Preferential Procurement Policy Framework Act, No. 5 of 2000
SALGA	South African Local Government Association
SEC	Social and Ethics Committee
SED	Socio-Economic Development
SHEQ	Safety, Health, Environment, and Quality
SIP	Social Investment Programme
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SOC	Security Operation Centre
SPG	Strategic Partnership Group
TA1	Treasury Approval 1
TAG	Transport Authority for Gauteng
TVET	Technical and Vocational Education and Training
Wits	University of the Witwatersrand



ABOUT THIS REPORT

The aim of our integrated report is to provide a holistic, comprehensive and accurate view of the performance, strategy and outlook of the Gautrain Management Agency (GMA) for the financial year ending 31 March 2025. This report is intended to provide relevant information to all our stakeholders.

The integrated report's theme is centred on the linkages that create access for all our stakeholders.



1 BOUNDARY AND SCOPE

The scope of this report covers the GMA's process through which value is created, preserved over time, and takes into account the six capitals. The integrated report covers risks, opportunities and outcomes relating to the GMA's operating environment, operations, resources and engagement with key stakeholders that could influence the Agency's ability to create and sustain value. The reporting period is 1 April 2024 to 31 March 2025.

2 APPROACH TO CREATING VALUE

This report aims to offer a balanced and accurate reflection of our journey in navigating the GMA strategy, performance, risks, opportunities, and future outlook, all while addressing the material financial, economic, social, and governance issues that impact the Agency. The value creation approach is firmly embedded in the GMA's purpose.

3 REPORTING FRAMEWORK

This integrated report has been prepared in accordance the following guiding principles:

- Applying the six capitals approach to integrated thinking and reporting;
- Reviewing the actual performance attained in the 2024/25 financial year;
- Being strategy focussed and future oriented;
- Identifying the interconnectivity of strategic and operational information; and
- Reviewing stakeholder engagement and responsiveness.

The report is prepared in compliance with:

- International Integrated Reporting Framework published by the International Integrated Reporting Council;
- The Public Finance Management Act, No. 1 of 1999 (PFMA);
- The Companies Act, No. 71 of 2008;
- Standards of Generally Recognised Accounting Practice (GRAP);
- Elements of the National Treasury Annual Report Guide for Schedule 3A and 3C Public Entities; and
- The King IV Report on Corporate Governance for South Africa™.

4 MATERIALITY

The GMA sets out its approach to reporting on material matters in accordance with the PFMA in its Materiality and Significance Framework, as set out in its Annual Performance Plan (APP). This framework has been determined by carefully analysing the Impact Statement, Outcomes and Risks.

From a financial perspective, materiality levels in accordance with the PFMA are captured in the GMA's Materiality and Significance Framework, which is set out in the Strategic Plan for 2024/25 to 2026/27.

5 COMBINED ASSURANCE

The GMA's assurance approach relies on shared oversight and responsibility for the assurance process by drawing on risk management, management, Internal Audit and the Auditor-General of South Africa. Table 1 indicates the GMA's integrated reporting assurance framework, including the respective assurance providers and their outcomes. The Audit and Risk Committee, as well as the Board, rely on the assurance providers to assess the adequacy and effectiveness of the GMA's risk management and internal controls.

Table 1: Combined assurance model

Content	Assurance Providers	Outcomes	Framework
Annual Financial Statements	- GMA Board - GMA Audit and Risk Committee - Auditor-General	- Review - Approval - Qualified/unqualified opinion - Material findings on the usefulness and reliability of performance information	- PFMA - GRAP
Integrated Annual Report (in full)	- GMA Audit and Risk Committee - GMA Board	Board approval	- Legislative requirements - Treasury guidelines
Review of internal controls and risk management	GMA Board and Board committees oversight	- Review and commentary - Assess and address residual risks - Strengthen risk governance policies and protocols, and risk management - Approval	- Enterprise risk management - Legislative requirements - PFMA
Corporate Governance	- Internal Audit - Corporate Governance	- Assessments of controls - Internal control environment	- King IV™ - PFMA

6 OUTLOOK

Forward-looking statements were informed by the GMA strategic plan and are subject to risk and uncertainty. These and other factors could cause actual performance to be materially different from expected future results. More details on the strategic outlook can be found on pages 90 to 91.

7 BOARD RESPONSIBILITY STATEMENT

The Board, assisted by its committees, is responsible for ensuring the integrity of the Integrated Annual Report. This Integrated Annual Report was approved by the Board and signed on its behalf by the Chairperson of the Board and the Chief Executive Officer of the Gautrain Management Agency.



PROF. MFANELO NTSOBI

GMA: Board Chairperson
31 July 2025



MR TSHEPO KGOBE

GMA: Chief Executive Officer
31 July 2025

8 HIGHLIGHTS OF SUSTAINABLE VALUE CREATED



- **R3 881 million** spent on education and training.
- **R2 649 million** spent on employee wellbeing.
- **13 young graduates** continued with employment and training through the Graduate Development Programme.
- **13 young people** were employed to render services in the Drivers' License Testing Centres (DLTCs) in the financial year.



- Additional employment opportunities for both youth and women through the midibus partnership between the taxi associations and GMA.
- The Gautrain Project continued to contribute to the Gauteng Province through meeting and exceeding the Socio-Economic Development (SED) targets as specified in the Concession Agreement.
- Business partnerships entered into with Wits Business School, Gordon Institute of Business Science (GIBS) and World Intellectual Property Organization Academy Distance Learning to enhance the Knowledge Management (KM) initiatives.



- **R14.5 million** profit generated from the DLTCs and advisory services – a **20%** increase from the previous financial year.
- The fare evasion rate remained below the **4%** norm; ensuring that financial exposure was adequately managed and a level of **0.00%** was maintained.



- GMA improved its risk maturity from 90% to **91%** with the roll-out of the EWRM system.
- The Agency developed the GoldX Knowledge Portal to support GMA's knowledge-sharing initiatives, serving both local and international stakeholders.
- The GMA has been designated by the National Intellectual Property Management Office (NIPMO) as one of the Technology and Innovation Support Centre (TISC) hosts.



- By transporting over **7.8 million** passengers by train, **2.3 million** passengers by bus and **825 523** passengers by midibus during the year, the Gautrain significantly reduced CO₂ emissions when compared with the scenario where these passengers would have travelled by private car.
- Shredded paper material is recycled regularly according to the sustainability principles adopted by the GMA on its Environmental, Social, and Governance (ESG) journey.



- Installation of Wi-Fi coverage at the station for usage by commuters.
- **32** new generation PG600 fare gates were installed at OR Tambo International Airport, Sandton and Park Station.
- Ongoing refurbishment of the bus fleet, which supports the local supply chain.



LEADERSHIP REFLECTIONS





MS KEDIBONE DIALE-TLABELA
MEC: Roads and Transport

“ The GMA is committed to ensuring funding sustainability and reducing the impact of the Patronage Guarantee by pursuing additional revenue streams.

1 MEC'S FOREWORD

The Gautrain Project stands as a testament to the significant advancements made in public transportation within the Gauteng Province. The Gautrain Management Agency (GMA) has served a crucial function by providing ongoing oversight of the Concession Agreement between the Gauteng Provincial Government (GPG) and Bombela Concession Company (Pty) Ltd, thereby ensuring operational efficiency over time. In addition to enhancing public transit, the Gautrain has also fostered socio-economic development across the Province.

The GMA has also matured into a Centre of Transport Excellence for the province and supports other government entities in achieving integrated and co-ordinated public transport and rail-related projects across the Gauteng City Region. This role directly supports the Growing Gauteng Together initiative through the implementation of Smart Mobility solutions – reorganising the urban landform, positioning Gauteng as a freight and logistics hub, and building strong institutions.

During the year under review, the GMA achieved significant progress in several areas for the 2024/25 financial year. In response to changing ridership patterns following COVID-19, the Gautrain has recognised the need to adapt its products and services to make travel more accessible to a diverse range of passengers. Furthermore, the GMA is committed to ensuring funding sustainability and reducing the impact of the Patronage Guarantee by pursuing additional revenue streams through commercialisation opportunities and increasing ridership.

The GMA continued preparations for the Post-2026 Gautrain period to ensure uninterrupted operations after the current Concession ends in March 2026. The Agency expects to finalise this process soon, with a new bidder announced in the next financial year. Planning for the Gauteng Rapid Rail Integrated Network (GRRIN) Project also progressed over the past year.

Robust corporate governance and sound financial management remain central to the Board's responsibilities at GMA. The organisation has once again attained a clean audit, reflecting the Board and Management's ongoing dedication to established standards of good governance.

I wish to thank all partners and the Metropolitan councils of the Ekurhuleni, Johannesburg and Tshwane for their collaboration and support.

In conclusion, I would like to express my sincere appreciation to the GMA Board, led by Prof. Mfanelo Ntsobi, for their unwavering commitment to providing executive oversight of GMA activities. I also extend my gratitude to the GMA CEO, Mr Tshepo Kgobe, and his team for their dedication and hard work. Their commitment to serving the people of Gauteng is truly valued.

MS KEDIBONE DIALE-TLABELA
MEC: Roads and Transport



PROF. MFANELO NTSOBI
GMA: Board Chairperson

2 CHAIRPERSON'S FOREWORD

On behalf of the Board of the Gautrain Management Agency (GMA), I am honoured to present the 2024/25 Integrated Annual Report. The GMA remains committed to fulfilling its mandate, which is central to the socio-economic progress of the Gauteng Province. During the year under review, the Agency continued to manage, co-ordinate, and oversee the operations and maintenance of the Gautrain Project, in addition to supporting other government entities in integrating and co-ordinating public transport within Gauteng. These efforts have contributed significantly to advancing Smart Mobility within the province.

BOARD GOVERNANCE

The Board's mission centres on delivering strategic guidance, effective leadership, and comprehensive oversight to ensure that all planned strategic objectives for the reporting period are successfully achieved.

During the year under review, the Board provided oversight on the following strategic matters:

- Amendments to the GMA Act and the reclassification of the GMA in terms of the PFMA.
- Post-2026 Gautrain Project.
- Close out of the current Concession Agreement (CA).
- Implementation of the commercial initiatives.
- Gauteng Rapid Rail Integrated Network Extensions (GRRIN) Project.
- Increase Gautrain ridership.
- Digitisation and automation of business processes.

The GMA has maintained its commitment to high standards of accountability. I am pleased to announce that, for the year ended 31 March 2025, the Auditor-General of South Africa (AGSA) issued an unqualified audit opinion following an external audit of our Annual Financial Statements, Annual Performance Report, compliance with legislation, and other legal and regulatory requirements. This demonstrates our culture of good governance and transparency.

RESPONSIBLE CORPORATE CITIZENSHIP

The GMA's transformation efforts led to the consistent achievement and surpassing of Socio-Economic Development (SED) targets, benefiting Gauteng's economy. GMA's spending on Emerging Micro Enterprises (EMEs) and Broad-Based Black Economic Entities exceeded the set goals, while expenditure with women-owned entities and Qualifying Small Enterprises (QSEs) met their targets, showing clear year-on-year progress.

STRATEGIC OUTLOOK

In the upcoming financial year, GMA will concentrate on the following areas:

- Close-out of the CA.
- Appointment of a successor Concessionaire (Post-2026 Gautrain Project).
- Amendments to the GMA Act and reclassification of the GMA in terms of the PFMA.
- Implementation of the commercial initiatives.
- Development and implementation of sustainability strategies.
- GRRIN Extensions Project.
- Increase Gautrain ridership.
- Review risks and opportunities.

The Board will continue to strengthen its fiduciary and oversight responsibilities to ensure the effective fulfilment of the organisation's mandate.

“The GMA's transformation efforts led to the consistent achievement and surpassing of SED targets, benefiting Gauteng's economy.”

ACKNOWLEDGEMENT

It is indeed encouraging to note the progress achieved by GMA despite the many challenges experienced in this reporting period and I thank the Board and Board committees, for their commitment to ensuring that the GMA continues to realise its purpose and continues to execute its mandate as required. My heartfelt appreciation goes to the GMA's CEO, Management team and staff for their dedication and for continuing to serve with resilience and commitment.

I would like to express my gratitude to the MEC for Transport and Logistics, Ms Kedibone Diale-Tlabela for the support provided over the year, which ensured that we delivered on our mandate.

Gratitude goes to all stakeholders, including the relevant government departments, and municipalities in assisting us to realise our purpose of "transforming people, spaces and the economy through mobility".



PROF. MFANELO NTSOBI

GMA: Board Chairperson

31 July 2025





MR TSHEPO KGOBE
GMA: Chief Executive Officer

3 CEO'S OUTLOOK

The past financial year has brought a multitude of notable transformative developments and opportunities within the public transport sector. Despite this dynamic environment, the GMA has demonstrated unwavering resilience, adaptability, and steadfast commitment, addressing emerging circumstances with exemplary strategic foresight and a clear vision for continued progress.

OPERATIONAL RESILIENCE AND SERVICE DEVELOPMENT

GMA demonstrated progress in several key areas, particularly in the oversight of the Concessionaire, where the Gautrain maintained operational efficiency despite a slight increase in service-affecting incidents during the latter part of the financial year.

The Gautrain rail and bus service experienced a decline in passenger trips compared to the growth recorded in the previous financial year. This signals an opportunity to improve accessibility and broaden the System's appeal to a wider range of users. In response, Gautrain will introduce new products and services designed to attract additional market segments. These efforts will be supported by enhanced, targeted marketing initiatives aimed at retaining existing passengers and expanding the overall ridership base.

Safety is a primary consideration, and there are continuous efforts to enhance safety throughout the System for both passengers and infrastructure. The GMA, in collaboration with the Concessionaire, continuously implements security improvement initiatives in different areas of the System. These measures include the introduction of security protocols designed to safeguard the System and its users.

During the financial year under review, the GMA continued with the implementation of the Post-2026 Gautrain Project. All business units within the GMA are engaged in the Post-2026 programme, ensuring continuity of Gautrain operations after 26 March 2026. The procurement process to appoint a new Concessionaire is at an advanced stage, and the project is expected to reach financial close in the next financial year.

The planning for the Gauteng Rapid Rail Integrated Network (GRRIN) Project continued throughout the past year. By the end of the last quarter, interested and affected parties were invited to review and submit written comments on the Draft Route Determination Report regarding the Soweto Extension and Cosmo City Junction of the proposed GRRIN Extensions. The report will be finalised and submitted for review and approval by the Gauteng MEC for Roads and Transport, enabling her to make an informed decision regarding the determination of the route for the Soweto Extension and Cosmo City Junction in compliance with the Gauteng Transport Infrastructure Act (GTIA).

Investments in Knowledge Management initiatives have generated significant value for the GMA by safeguarding intellectual capital. The GMA has formed strategic partnerships to facilitate knowledge exchange and implement initiatives designed to maximise value and foster an environment conducive to innovation, which is essential in the current global landscape.

GOVERNANCE AND SOCIO-ECONOMIC CONTRIBUTION

Gautrain has consistently exceeded Socio-Economic Development (SED) targets, contributing positively to the Gauteng economy. Expenditure goals favouring Emerging Micro Enterprises (EMEs), and Broad-Based Black Economic Entities were not only met, but surpassed. Additionally, targets for expenditure with women-owned entities and Qualifying Small Enterprises (QSEs) were successfully attained.

GMA's Social Investment Programme (SIP) has continued to play a significant role in advancing social development goals across the sectors of education, environmental sustainability, and community welfare.

“Safety is a primary consideration, and there are continuous efforts to enhance safety throughout the System for both passengers and infrastructure.”

During the year, the Agency maintained its partnership with the taxi industry through the GMA Midibus initiative, further improving first- and last-mile connectivity. This initiative helped formalise minibus taxi operators into sustainable businesses, creating jobs and enhancing Gautrain service quality.

FINANCIAL STEWARDSHIP AND REGULATORY MONITORING

The GMA successfully achieved 93% of its outcome indicators for the 2024/25 financial year, while recording a 1.45% underspend against the allocated budget. The Agency has also received its thirteenth consecutive clean audit from the Auditor-General, reflecting the dedication and diligence of the entire GMA team.

The Agency is closely monitoring new rail and transport sector regulations, including the Economic Regulation of Transport Act, No. 6 of 2024, and the Railway Safety Act, No. 30 of 2024, which replace the National Railways Safety Act of 2002.

CONCLUSION AND ACKNOWLEDGEMENTS

As the new financial year begins, the GMA aims to pursue opportunities, address challenges, and work towards creating value for all stakeholders, including the communities it serves.

I extend my sincere appreciation to the GMA Board, led by Prof. Mfanelo Ntsohi, for their guidance and oversight throughout the year. I would also like to acknowledge the Gauteng MEC for Roads and Transport, Ms Kedibone Diale-Tlabela, for her support and confidence in our work. My gratitude goes to all GMA employees for their ongoing commitment and dedication. Collectively, we remain dedicated to realising our vision of delivering an integrated and efficient public transport system that supports sustainable socio-economic development.

In conclusion, I would like to thank all the stakeholders have played a role in supporting the Agency's progress toward its vision.



MR TSHEPO KGOBE

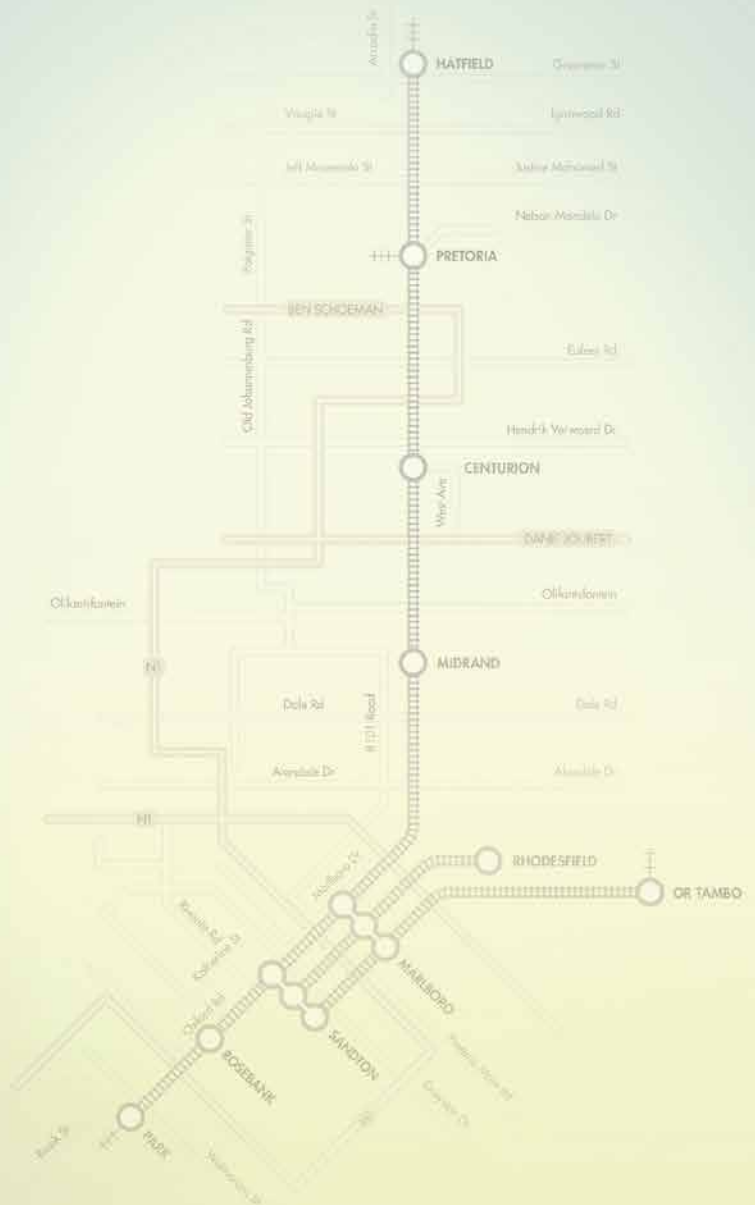
GMA: Chief Executive Officer

31 July 2025





GMA AT A GLANCE

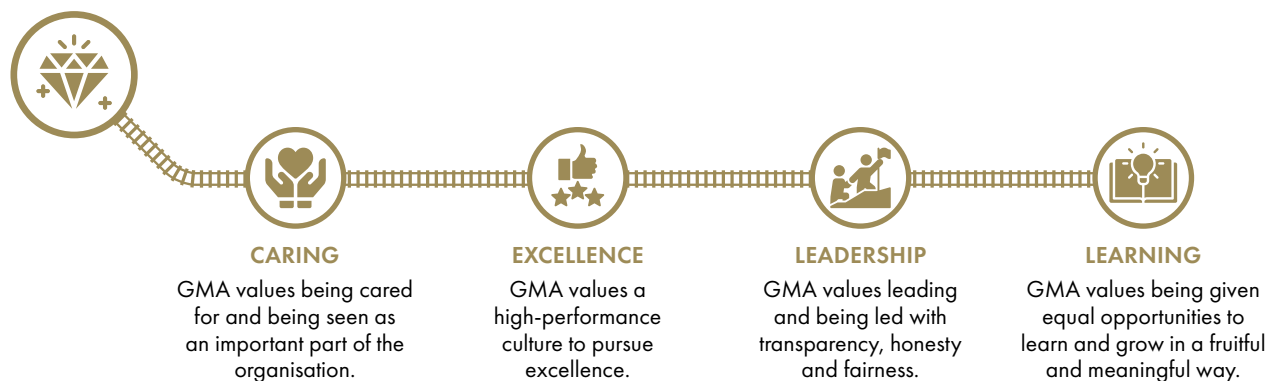


1 UNDERSTANDING THE GMA

The GMA is an entity of the Gauteng Provincial Government (GPG) mandated to manage the implementation of the Gautrain Project; and the relationship with the Concessionaire, the Bombela Concession Company (Pty) Ltd, which operates the Gautrain System on behalf of the GMA.



2 THE GMA VALUES



3 THE GMA IN RELATION TO THE GAUTRAIN PROJECT

The Gautrain Project is aimed at providing and optimising an integrated and innovative public transport system that enables and promotes the long-term sustainable economic growth of Gauteng. It is also part of a broader vision to industrialise and modernise the region, including a commitment to creating and sustaining an integrated culture of smart mobility.

The GMA was established to manage, on behalf of the GPG, the implementation of the Gautrain and the relationship with the Concessionaire. The Agency's focus is to manage, co-ordinate and oversee both the operation and maintenance of the Gautrain and the implementation of the expansion of the System and extension of rapid rail to accommodate future demand. The Project is implemented as a Public-Private Partnership (PPP) between the GPG and the Concessionaire, Bombela Concession Company (Pty) Ltd (BCC). The duration of the concession for the design, part-financing, construction, operation, and maintenance of the Gautrain is 19½ years.

BCC is a private company ring-fenced for delivering all the services as defined in the Concession Agreement (CA) to specified levels of performance. These comprise services related to the trains and buses, management and maintenance of all the System assets, safety, stations, revenue collection, marketing, as well as passenger communication.

4 LEGISLATIVE MANDATE AND OTHER MANDATES

The GMA is a GPG Public Entity that derives its mandate primarily from the Gautrain Management Agency Act (GMA Act). The GMA was established through the GMA Act and is listed as a Provincial Public Entity, under Schedule 3c of the PFMA; and adheres to and complies with a range of legislation, regulations and policies that are relevant to its operations and strategy in the broader transformation and development of the economy. The range of legislation, regulations and policies relevant to its operations and its role, are summarised in the table that follows:

Table 2: Legislation and mandates applicable to GMA

Category	Legislation and Mandates
Statutory Mandates	• Constitution of the Republic of South Africa Act, No. 108 of 1996 • The Gautrain Management Agency Act, No. 5 of 2006 (GMA Act), as amended; • Public Finance Management Act, No. 1 of 1999 (PFMA), as amended; • The Gauteng Transport Infrastructure Act, No. 8 of 2001 (GTIA), as amended; • The Treasury Regulations, promulgated in terms of Section 76 of the PFMA; • The National Land Transport Act, No. 5 of 2009 (NLTA), as amended; and • The Gauteng Transport Authority Act, No. 2 of 2019 (GTA Act).
Other Relevant Legislation	• Consumer Protection Act, No. 68 of 2008 (CPA), as amended; • Preferential Procurement Policy Framework Act, No. 5 of 2000 (PPPFA), as amended; • Protection of Personal Information Act, No. 4 of 2013 (POPIA); • Employment Equity Act, No. 55 of 1998 (EEA), as amended; • Electronic Communication and Transactions Act, No. 25 of 2002 (ECTA), as amended.
Policy and Strategic Frameworks	• The Medium-Term Strategic Framework (MTSF); • The New Growth Path (NGP); • The National Development Plan (NDP); • Gauteng Employment, Growth and Development Strategy (GEGDS); • 5-Year Gauteng Transport Implementation Plan (GTIP5) ; • 25-Year Integrated Transport Master Plan for Gauteng (ITMP25); • Presidential Infrastructure Co-ordinating Commission (PICC); • The Public Service Corporate Governance of Information and Communication Technology (ICT) Policy Framework; • The Public Sector Integrity Management Framework; • Protocol on Corporate Governance in the Public Sector; • King IV™; • National Rail Policy – 2022; • White Paper on National Transport Policy – 2021; • The GPG's Global City Region Integrated Infrastructure Master Plan – 2030; • Green Transport Strategy for South Africa (2018–2050); • The South African Economic Reconstruction and Recovery Plan; • The National Transport Master Plan (NATMAP) Synopsis Update 2017; and • The GPG's Growth and Development Plan.



5 ORGANISATIONAL STRUCTURE

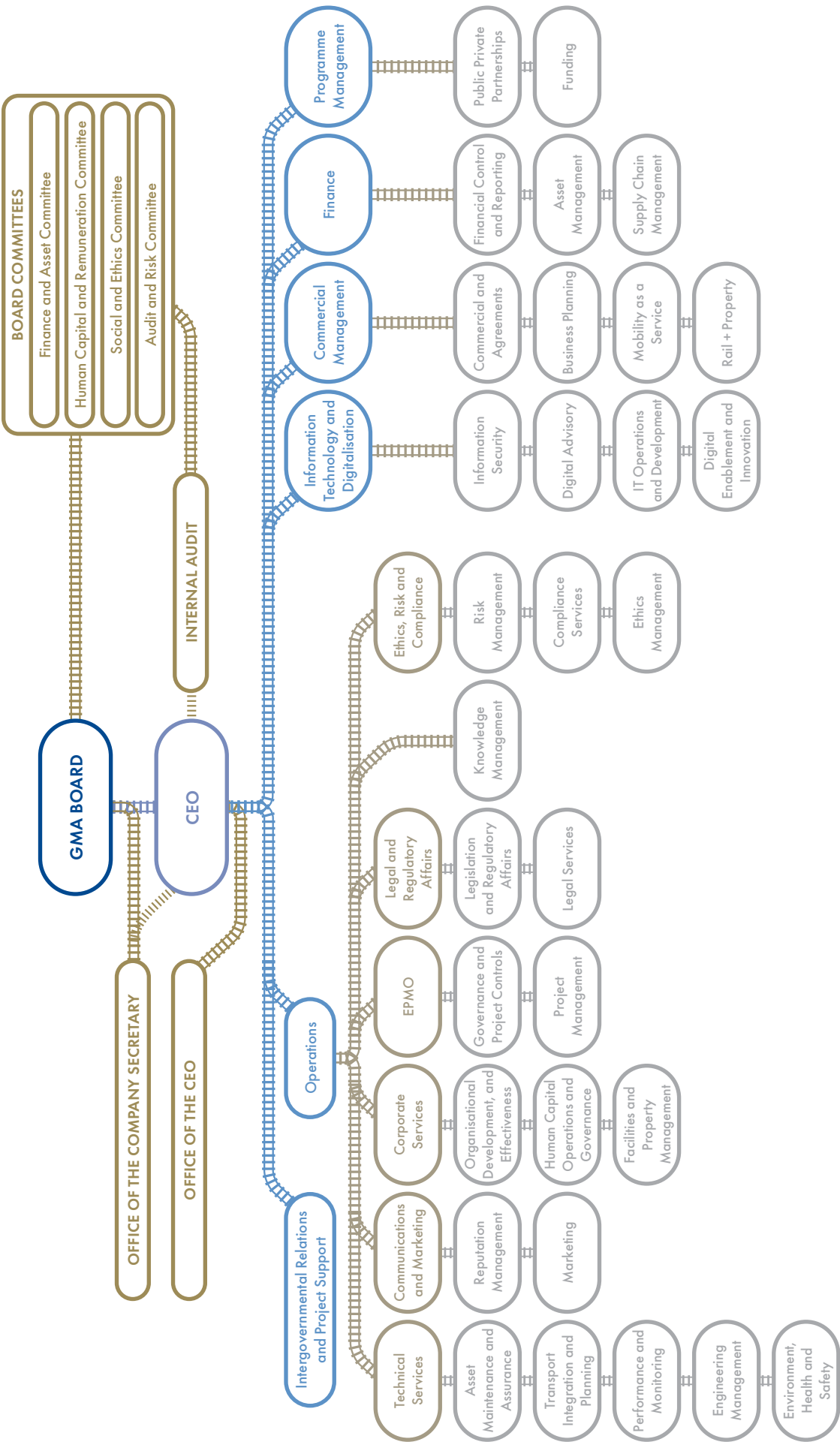


Figure 1: GMA organisational structure

6 ENGAGING WITH STAKEHOLDERS

The GMA generates value not only for the organisation but also for the broader society within which it operates. Stakeholder collaboration is crucial in formulating business strategy and direction. The Agency engages with stakeholders to meet their expectations while considering the impact of its operations.

The Agency actively engages stakeholders to address key issues, support strategic goals, manage risks, and enhance its operating environment. It customises content and engagement methods to achieve the desired outcomes and deliver a sustainable value proposition.

GMA has a well-considered plan to foster stronger connections with all its stakeholders, form partnerships, and achieve its strategic objectives. Strategic partnerships established with stakeholders are based on the principle of mutual benefit as the Agency pursues its mandate. These engagements enhance the GMA's reputation among its stakeholders.

The GMA's stakeholder universe is depicted in Figure 2.

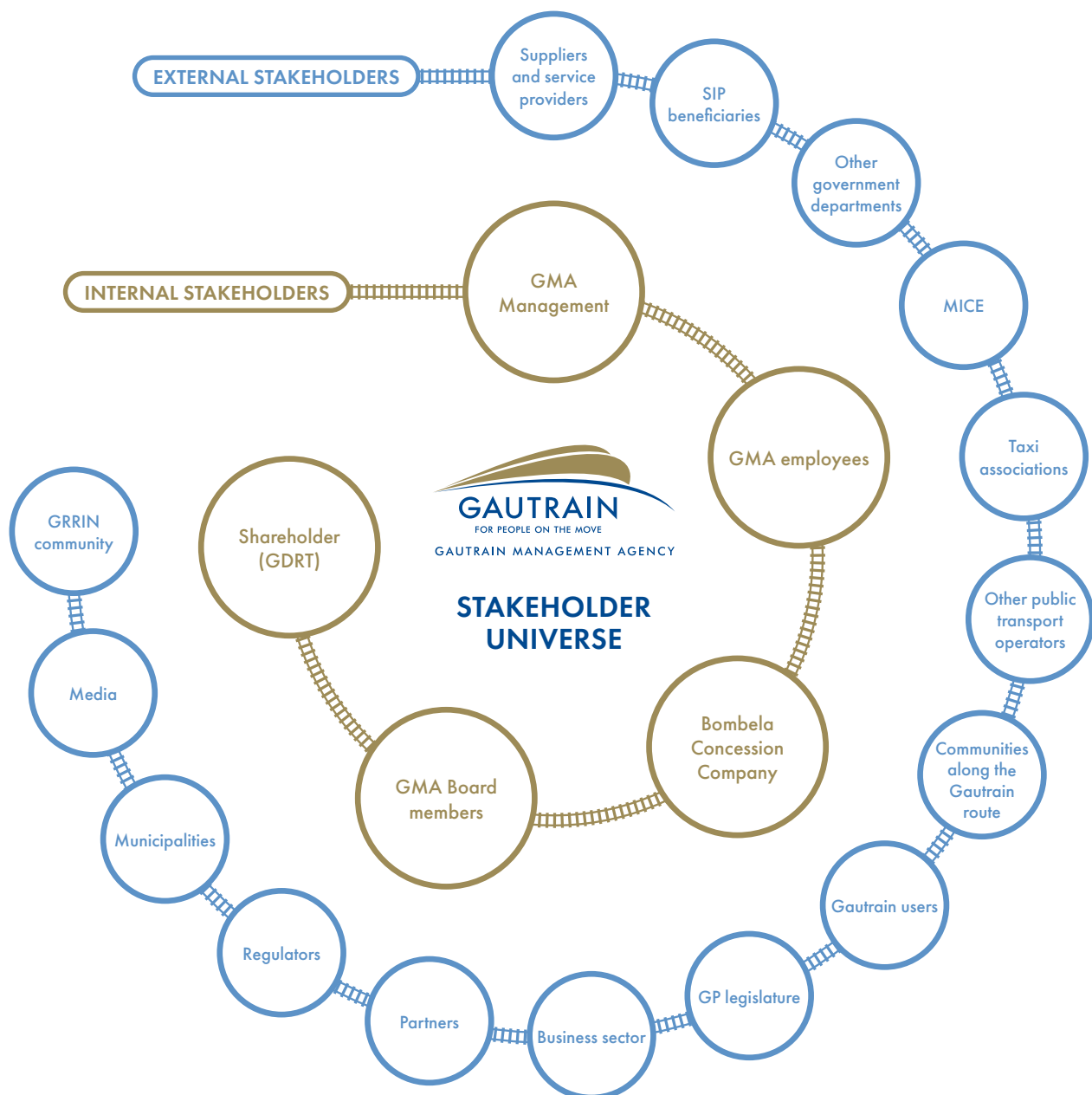


Figure 2: Stakeholder universe

6.1 GMA STAKEHOLDERS

To ensure alignment with the GMA's purpose, the Agency actively engages with stakeholders that have vested interests in the organisation's business and performance. Table 3, reflects how the GMA engages, and creates value; and key stakeholder interests and the outcomes of these engagements that took place during the year under review.

Table 3: GMA stakeholder profile

Category	How GMA engages	Their needs and expectations	How GMA creates value	Capitals impacted
Shareholder (Executive Authority (MEC); oversight department, GPL)	- Regular updates to shareholders through annual reports, quarterly reports, and financial updates. - Convening quarterly meetings. - Regular meetings with the MEC.	- Implementation of the Corporate Plan, attainment of organisational objectives and performance targets. - Service Level Agreement (SLA) between the GMA and the Gauteng Department of Roads and Transport (GDRT). - Financial and operational sustainability and transparent financial reporting. - A clear understanding of the organisation's strategic direction. - Inclusion of strategic initiatives aligned to the Gauteng Government. - Post-2026 Project, progress and funding and Gauteng Rapid Rail Integrated Network (GRRIN) Project.	- Establishing and maintaining strong governance frameworks that ensure transparency, accountability, and ethical practices. - Developing and executing clear strategic plans that outline the organisation's long-term goals.	 
Board members	- Engagements are underpinned by the Board Charter. - Establishment of Board committees and convening of committee and Board meetings aligned to the annual work plan. - Convening of strategic workshops.	- Management to ensure that the GMA's activities and initiatives align with its vision and mission. - Development and implementation of long-term strategic plans that guide the organisation's strategic direction. - Implementation of robust risk management frameworks to mitigate potential risks affecting operations. - Maintenance of sound financial health through prudent financial management, budgeting, and resource allocation.	- Implementing efficient operational processes and systems that enhance productivity and demonstrate prudent management and operational excellence to the Board. - Effective risk management practices that help protect the organisation from potential disruptions, ensuring stability and continuity. - Prudent financial management and cost control measures.	 
Employees	- Regular updates on organisational goals, changes, and developments. - Management meetings. - Townhall where there is an address by the CEO. - Planned events on specific programmes i.e., Wellness, Women's Month, Health, and Safety etc.	- Regular, open, and transparent communication from leadership about organisational goals, changes, and developments. - Mechanisms for providing feedback through regular meetings with management. - Formal recognition programmes to acknowledge and reward employees' contributions and achievements. - Access to wellness programmes that support physical and mental health, such as fitness programmes, counselling services, and health screenings. - Adequate paid time off, including vacation, sick leave, and personal days.	- By offering continuous learning opportunities through training programmes, workshops, and educational courses helps employees enhance their skills and advance their careers. - Fostering a supportive and positive organisational culture that promotes teamwork, respect, and collaboration. - Supporting physical and mental well-being through wellness programmes, including fitness programmes, counselling services, and health screenings.	  

Category	How GMA engages	Their needs and expectations	How GMA creates value	Capitals impacted
Concessionaire	- Monthly Project EXCO meetings - Presentations - Formal letters - Monthly contractual meetings	- Management of the CA. - Close-out of the Concession Agreement (COCA) and handover plan. - Gautrain operations and improvement of the System.	- Provision of a reliable transport system. - Management of the COCA and ensure operational efficiency and continuation of operations post-2026.	    
GMA business strategic partners	- Presentations on the Gautrain System - Focused meetings	Marketing to Gautrain users.	- Creating shared value initiatives for Gautrain commuters. - Alignment in joint marketing initiatives to passengers. - Value added initiatives for passengers. - Knowledge management.	 
Regulators, government departments	- Through regular updates, reports, and presentations. - Organising and participating in stakeholder meetings, workshops, and forums to discuss compliance matters.	- Support the development of policies and regulations by providing technical input and ensuring that these regulations are based on sound standards. - Expert advice on matters related to required standards and conformity assessment.	- Providing detailed and transparent reporting to government and regulatory bodies, demonstrating accountability and compliance. - Enforcing safety standards for Gautrain services to protect passengers and the public from harm.	
Municipalities, public transport operators and Taxi association	- Meetings - Media, website and portal - Presentations - Inter-governmental meetings - Quarterly co-ordination meetings	- Common public transport initiatives. - Engagements on the implementation of the Midibus Feeder and Distribution Service (MFDS) partnerships with the industry. - Public transport integration and travel data sharing.	- Seamless support for operations. - Understanding of the GRRIN Project. - Information sharing and collaboration.	
Communities	- Media interviews - Website and portal - Advertorials - Social media messaging and promotions	- Route alignment process of GRRIN (Soweto Extensions and Cosmo junction). - Licencing services.	- Added value of government services. - Information provision.	
Passengers, and potential passengers	- Marketing and promotional events - Social media messaging and promotions - Direct communication - Customer satisfaction surveys	- Effective communication. - Delivery of efficient Gautrain service. - Fair competitive pricing. - Flexible products.	- Efficient transport system. - Accessible public transport. - Information provision.	
Media	- Media releases - Media interviews - Advertorials	Information sharing on the Gautrain and GMA business.	- Positive reporting on our business. - Information provision.	



GOVERNANCE, LEADERSHIP AND ETHICS



1 PROTECTING VALUE THROUGH SOUND GOVERNANCE

Effective corporate governance is fundamental to the sustainable success and value creation of an organisation. For the GMA, robust governance practices are essential not only for compliance but also for safeguarding the Agency's assets, strengthening stakeholder trust, and advancing strategic goals. Governance oversight of a public entity in the Province vests in the Provincial Legislature, the Executive Authority and the Board of the public entity.

1.1 GAUTENG PROVINCIAL LEGISLATURE

The Gauteng Provincial Legislature executes its oversight responsibilities through various Portfolio Committees. The GMA has participated in numerous discussions with these committees to address their inquiries. The specific Portfolio Committees overseeing the GMA's activities include:

- ▣ Standing Committee on Public Accounts (SCOPA) – reviews the GMA's Annual Financial Statements along with the Audit Report issued by the Auditor-General of South Africa, ensuring financial accountability.
- ▣ Portfolio Committee on Roads and Transport – assesses the non-financial information presented in the GMA's Integrated Annual Report, with a key focus on service delivery and fostering economic growth.
- ▣ Portfolio Committee on Finance – reviews the Appropriation Bill of the Gauteng Province, this committee ensures the proper allocation and usage of financial resources.
- ▣ Standing Committee on Gender, Youth, and People with Disabilities (GEYODI) – evaluates the implementation processes related to services for gender, youth, women, and individuals with disabilities to promote inclusivity and equitable access.

1.2 EXECUTIVE AUTHORITY

The Gauteng MEC for Roads and Transport functions as the Executive Authority of the GMA. The PFMA and the GMA Act grant oversight powers to the Executive Authority regarding the Strategic Plan, APP, Budget, SLA, and both Annual and Quarterly Reports.

The relationship between the MEC and the Board is regulated by a SLA, which outlines a clear framework for a transparent and accountable working relationship regarding the implementation of the PFMA, the GMA Act, and the strategic objectives established by the Gauteng Department of Roads and Transport (GDRT), along with those set by the Gauteng Provincial Government (GPG) and the National Government.

In the 2024/25 financial year, the following documents were submitted to the Executive Authority in accordance with the requirements of the GMA Act and the PFMA.

Table 4: Documents submitted to the Executive Authority

Documents	Date of submission
GMA Quarterly Performance and Performance Information Reports for the 2024/25 financial year.	30 April 2024, 31 July 2024, 31 October 2024, and 31 January 2025
GMA Integrated Annual Report for the 2023/24 financial year.	31 August 2024
GMA Strategic Plan for the 2025/26 to 2027/28 financial years.	30 September 2024
GMA Annual Performance Plan for the 2024/25 financial year.	30 September 2024
Revised GMA Annual Performance Plan for the 2024/25 financial year.	28 February 2025



1.3 THE BOARD

The GMA's Board is effective and adaptable, with a diverse mix of skills and experiences to oversee strategic decisions and provide independent judgment. The Board endorses the corporate governance principles as set out in King IV™, advocating regular board performance evaluations and stakeholder feedback to align governance with best practice. A detailed Report on the GMA's Application of King IV™ is provided in Annexure A.

The Board ensures corporate governance with a focus on ethical leadership, performance, control, and legitimacy. It promotes fair and transparent operations through clearly defined roles, policies, laws, and shareholder oversight aligned with good governance principles.

The Board's main governance responsibilities and governance outcomes are highlighted in Figure 3.

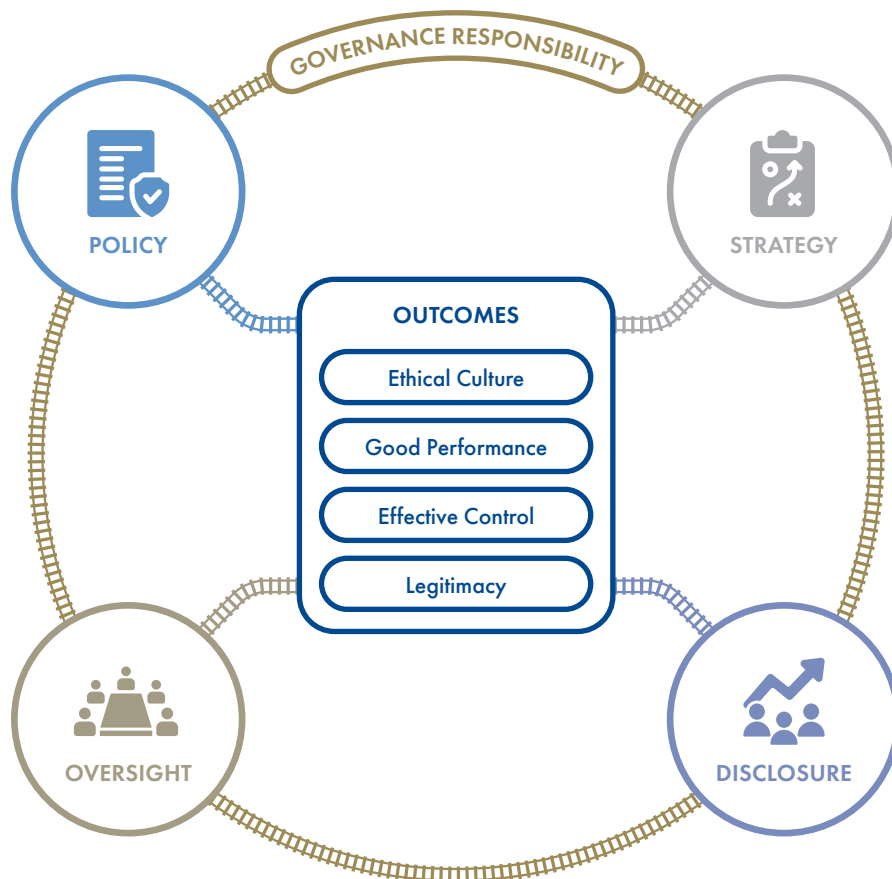


Figure 3: Board's governance responsibilities and governance outcomes

The GMA's Corporate Governance Practices and Processes establish role clarity by explicitly defining the roles and areas of accountability necessary for effective governance of the GMA. Furthermore, they enable the Board to create value by:

- ▣ Ensuring that its composition and structure enables it to fulfil its mandate and obligations, aligned with the GMA strategy.
- ▣ Adhering to legal, compliance and accounting requirements, and contributing to a climate of discipline to reduce fraud and corruption.
- ▣ Promoting ethical leadership and ethical organisational culture.
- ▣ Improving the GMA's resilience and performance. To remain resilient and continue to maintain good performance in a changing environment, the GMA continued to adapt its corporate governance practices to meet new demands and grasp new opportunities.
- ▣ Increasing the value of intangible assets. Transparency with stakeholders and responsible organisational behaviour contributed to the value of intangible assets such as reputation, public image, public confidence and goodwill.

The role, responsibilities, membership requirements and procedural conduct of Board members are documented in a Board Charter.

The Board sets materiality levels to outline the delegation of authority and retaining certain powers. It forms committees for independent judgement and balanced governance. Specific duties are delegated to the CEO, supported by the GMA Management Committee, who oversees strategy execution, policy implementation, and daily operations. The GMA corporate governance structure is detailed in Figure 4.

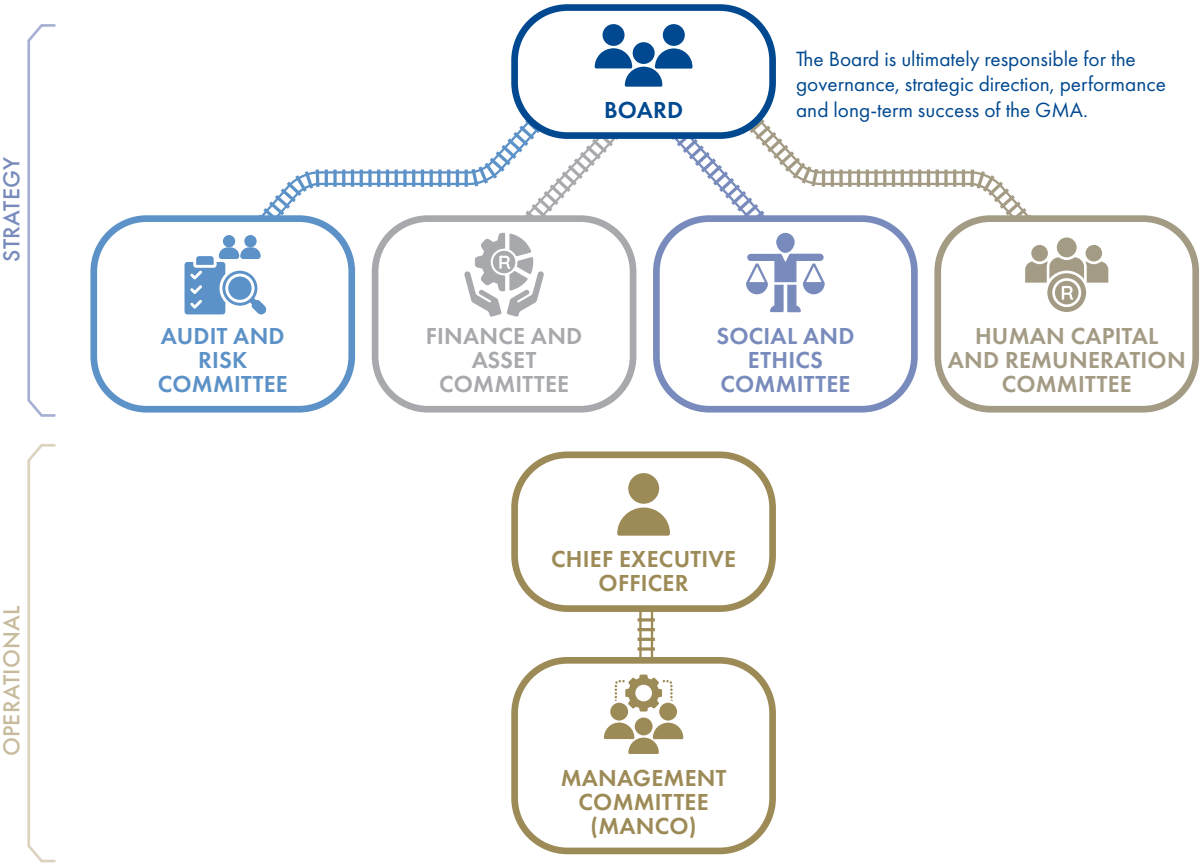


Figure 4: GMA corporate governance structure



1.4 BOARD COMPOSITION

Section 9 (2)(b) of the GMA Act states that the Board should consist of up to nine non-executive members with diverse backgrounds. The current Board comprises eight non-executives from wide-ranging backgrounds, varying industries and professional experience. The CEO serves as an *ex officio* member of the Board. The role and responsibilities of the Board Chairperson and the CEO are formalised and separated as clearly defined in the Board Charter. The separation of responsibilities ensures a balance of authority and power, with no one person having unrestricted decision-making powers.

The Board's term of office is three years, as dictated by the GMA Act. The GMA Act allows for the re-election of current Board members, provided they do not serve more than two consecutive terms. In the absence of the Chairperson, the Deputy Chairperson, who is an independent non-executive member, leads the Board and oversees discussions and decision-making on matters where the Chairperson has a conflict of interest.

The Board maintains effective control through a clearly defined governance structure, which includes four Board committees that support the discharge of its duties. Additionally, the Board delegates certain responsibilities to the CEO, who is supported by the Management Team (MANCO). The CEO is tasked with leading the implementation and execution of the approved strategies and policies, as well as managing the daily operations of the GMA. The governance structure of the GMA is illustrated in Figure 4.

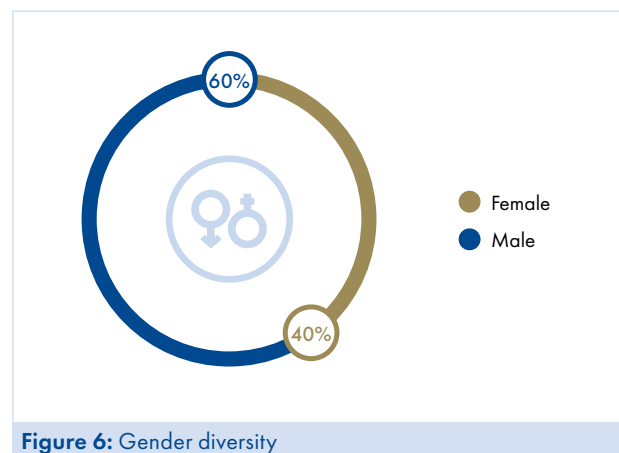
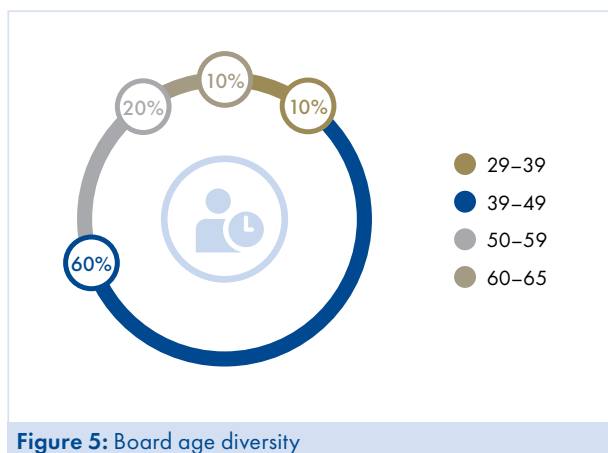
The Board is also supported by advisors who are nominated by their respective organisations and appointed by the MEC. They provide guidance based on their organisations' views and policies but cannot vote at Board meetings. The term of office of Board Advisors is aligned with that of the Board.

The following four new Board Advisors were appointed by the MEC effective 1 January 2024 to 31 December 2026:

- Ms Ulrike Britton – National Treasury.
- Mr Riaz Shaik – Gauteng Provincial Treasury.
- Mr Ratshilumela Mashamba – GDRT.
- Mr Jan de Villiers – National Treasury.

1.4.1 Board diversity

The composition of the new Board supports the promotion of the diversity of its membership for effective governance and good decision making. Board diversity is shown in the figures that follow.



1.5 BRIEF PROFILES OF MEMBERS OF THE BOARD

BOARD COMMITTEES



AUDIT AND
RISK COMMITTEE



FINANCE AND
ASSET
COMMITTEE



SOCIAL AND
ETHICS
COMMITTEE



HUMAN CAPITAL
AND REMUNERATION
COMMITTEE



CHAIRPERSON OF
COMMITTEE



PROF. MFANELO NTSOBI (55)

Chairperson and Independent
Non-Executive Member

(Appointed: 1 January 2024 to
31 December 2026)

Qualifications: BMilSci, BPA Honours, MA, PhD in the Management of Technology and Innovation

Other directorships: Member of the interim Gauteng Transport Authority Board, CEO and Executive Director at Sci-Bono Discovery Centre, Council Chairperson of Ekurhuleni East TVET College, Council Member at Wits University, and Council Member of the Gauteng Ethics Advisory Council.

Skills, expertise and experience: Management of Technology and Innovation, Education and Policy Research, Corporate Governance, Planning and Development, Transport Management in Aviation, Labour Relations, Mediation and Arbitration, Strategy and Operations Management, Research Management, Security and Political Risk Analysis, and Communication Strategy.



MS MALEBO MATOLONG (49)

Deputy Chairperson and Independent
Non-Executive Member

(Appointed: 1 January 2024 to
31 December 2026)



Qualifications: Pr Eng, Certified Director, BSc (Civil Engineering), BEng Honours (Transportation Engineering), MPM (Leadership), MBA

Other directorships: Member of the interim Gauteng Transport Authority Board, Deputy Chairperson of the Magalies Water Board, and Member of the Council for Sefako Makgatho Health Sciences University.

Independent committee roles: National Department of Transport Audit Committee Member, and Divers Licence Card Account Trading Entity Interim Audit Member.

Skills, expertise and experience: Transportation Engineering and Implementation, Programme and Project Management, Business Process Re-engineering, and Corporate Governance.



MS MAMELE LUTHULI (48)

Independent Non-Executive Member

(Appointed: 1 January 2024 to
31 December 2026)



Qualifications: NDip Public Management, Management Development Programme Mastering Strategy, MBA, VPAL Cybersecurity: Managing Risk in the Information

Other directorships: Member of the Tap Sosa Board, Member of the Board for the Female Founders Initiative Middle East and Africa, Advisory Member of the Board of the CSIR Defence and Security, and Member of the interim Gauteng Transport Authority Board.

Skills, expertise and experience: Cyber security, Innovative IT solutions and Internet of Things (IOT), and R&D.



MR BAFANA SIBISI (63)

Independent Non-Executive Member
(Appointed: 1 January 2024 to
31 December 2026)



Qualifications: MBA, BTech (Architectural Technology), Strategic Leadership in Development Management, Civil Engineering Water Resources Management Managing Dam Designs and Hydraulic Structures, Certificate in Rough Diamonds Evaluation, Computer Aided Designs, Municipal Performance Management Training Programme, Certificate in Human Settlements (SAHF)

Other directorships: Member of the interim Gauteng Transport Authority Board; Managing Director of DGSD Consulting Engineers, Group CEO of Africawise Developments (Pty) Ltd, Member of the Atteridgeville Senior Citizens Care for the Aged (ASCCA) Board, and Executive Chairperson of TUT School of Business and Society (TSB) Alumni Chapter.

Skills, expertise and experience: Architecture, Civil Engineering, Housing and Human Settlements, Programme and Project Management, Executive Leadership Development Management, Business Administration and Statistics, Economics, Change Management, Strategic Management, Human Resource Management and Financial Management, Managerial Finance, Management of Technology and Research, International Management, Operational Management, and Marketing Management.



MS LUNGILE MTIYA (50)

Independent Non-Executive Member
(Re-appointed: 1 January 2024 to
31 December 2026)



Qualifications: NDip in Human Resources, BTech (Human Resources), BCom Honours (Employment Relations and Labour Law), MPhil (Employment Relations and Labour Law)

Other directorships: Member of the SODEXO Southern Africa (Pty) Ltd, Member of the South African National Energy Development Institute (SANEDI) Board, Member of the Three Sisters Productions (Pty) Ltd Board, and Member of the interim Gauteng Transport Authority Board.

Skills, expertise and experience: Human Resources, Labour Relations, Mediation, Conciliation, Arbitration, and Facilitation.



MR DESMOND GOLDING (54)

Independent Non-Executive Member
(Appointed: 1 January 2024 to
31 December 2026)



Qualifications: LLM (Banking and Finance), MA International Relations (Global Economy), Finance for Senior Executives, Advanced Management, and Leadership Programme

Other directorships: Member of the interim Gauteng Transport Authority Board, Managing Director of Khabran Investments, Chairperson of the Risk Management Committee of the Department of Infrastructure Development, and Chairperson of the Panel of Experts on Mega Infrastructure Projects in the North West.

Skills, expertise and experience: Finance, Transaction Advisory, Project Preparation, Financial Modelling, Investment Banking, Financial Law, Project Finance, Deal Structuring, Business Strategy, Corporate Governance, Capital Raising, Economics, Risk Management, and Economic Research.



ADV. KGOTSO MAJA (35)

Independent Non-Executive Member
(Appointed: 1 January 2024 to
31 December 2026)



Qualifications: LLB

Other directorships: Member of the interim Gauteng Transport Authority Board, Chairperson of the Gauteng Growth and Development Agency Board, Deputy Chairperson of the Legal Aid Board of South Africa and Chairperson of the Legal Services Committee, Member of the Gauteng Liquor Board and Member of the Legal Committee.

Skills, expertise and experience: Human Capital and Labour Relations, Broad-Based Black Economic Empowerment (B-BBEE) and Transformation, Socio-Economic Development and Sustainability, Public-Private Partnerships, Corporate Governance, Audit and Risk Management, Legal and Compliance, Marketing and Branding, Strategic Partnerships, and Social Facilitation.



MR BONGISIZWE MPONDO (50)
Independent Non-Executive Member
(Appointed: 1 January 2024 to
31 December 2026)



Qualifications: BSc Honours (Town and Regional Planning)

Other directorships: Member of the interim Gauteng Transport Authority Board, Member of the East London Industrial Development Zone (IDZ) Board, Chairperson of SIU Committee, Chairperson of the Finance Committee and Member of the Operation and Risk Committee, Founder and Managing Director of SAFIRI, and Founder and Director of InnateSafiri.

Skills, expertise and experience: Infrastructure and Property Development, Land Use Management, Project Management and Transportation Planning, Business Strategy Development and Execution, Corporate Governance, Business Turnaround and Growth Strategies.



MR TSHEPO KGOBE (50)
Chief Executive Officer
(Appointed: 1 February 2024 to
31 December 2026)



Qualifications: BSc (Civil Engineering), Postgraduate Diploma in Business Management (UKZN, SA), Postgraduate Diploma in Business Management (UoR, USA)

Other directorships: None

Skills, expertise and experience: Project Management, Business development, B-BBEE, Transformation, Project Management, Corporate Social Investment, and Supplier Development.



MR NHLAMULO MAJOKO (35)
Acting Company Secretary
(Appointed 1 February 2025 to
present)

Qualifications: BCom Accounting, CIS Professional Post-Graduate Qualification: Company Secretariat and Governance

Other directorships: None

Skills, expertise and experience: Corporate Governance, Company Secretariat Practice, King IV™ and Governance Legislations, Minute-taking, Training Facilitation, Corporate Administration, Risk Management, Project Management, Strategic Planning, and Financial Compliance.

1.6 KEY POLICIES GOVERNING THE ACTIVITIES OF THE BOARD

Highlights of key policies governing the activities of the Board are summarised in Table 5.

Table 5: Board policies

Appointment of the Board	The GMA Board is appointed by the MEC in accordance with Section 10 of the GMA Act. The GMA has established a Framework for the Recruitment and Selection of Board members and Board committees. This Framework provides comprehensive guidance to the MEC and the Board in fulfilling their roles and responsibilities regarding the appointment of Board members, Board committees, and the CEO, in alignment with the GMA Act, PFMA, and King IV™ principles.
Business Code of Conduct and Ethics	The Code presents a proactive strategy to foster strong governance, accountable and responsible conduct among Board members. The Code is structured in two parts, namely Ethical Principles and Conduct Principles. Ethical Principles guide Board members in value-based decisions and conduct, aligning with GMA's core values. They provide a reference for ethical and effective performance in their roles and responsibilities. Conduct Principles represent the responsibilities and obligations that Board members are committed to upholding. The Code includes guidelines on matters such as conflicts of interest, directorships, employment and other activities, gifts, political party affiliations, and the disclosure of confidential information. Board members declare their interest annually and sign to declare their commitment to uphold the principles and standards of conduct outlined in the Code.
Board induction	On 7 August 2024, a workshop was conducted for the Board to deliver an in-depth analysis of the Feasibility Study pertaining to the Post-2026 Gautrain Project, as well as to provide updated information on the project's progress.
Remuneration of the Board	In terms of the GMA Act, the remuneration of the Members of the Board is determined by the Executive Authority, in consultation with the Gauteng MEC of Finance. The structure of the remuneration is based on the following: • Preparation and attendance of meetings, workshops and other events paid in accordance with the National Treasury guidelines. • A monthly retainer paid due to the nature and activities of the Gautrain Project. • Travelling and other expenses associated with attending meetings, workshops and events reimbursed in line with GMA Policies. The Remuneration of the Board for the 2024/25 financial year is disclosed in the Annual Financial Statements.

1.7 BOARD'S FOCUS AREAS DURING THE 2024/25 FINANCIAL YEAR

The Board considered and/or approved the following key matters, many of which were considered and recommended to the Board by its committees:

- ❑ Amendments to the GMA Act and the reclassification of the GMA in terms of the PFMA.
- ❑ Post-2026 Gautrain Project.
- ❑ Close out of the current Concession Agreement.
- ❑ Implementation of the Commercial initiatives.
- ❑ Gauteng Rapid Rail Integrated Network Extensions.
- ❑ Increase Gautrain ridership.
- ❑ Digitisation and automation of business processes.

1.8 FUTURE FOCUS AREAS

Key focus areas of the Board and Board committees for the 2025/26 financial year include:

- Close-out of the CA.
- Appointment of a Successor Concessionaire (Post-2026 Gautrain Project).
- Amendments to the GMA Act and reclassification of the GMA in terms of the PFMA.
- Macro Organisational Structure review.
- Implementation of the Commercial initiatives.
- Development and implementation of Sustainability Strategies.
- GRRIN Extensions.
- Increase Gautrain ridership.
- Digitisation and automation of business processes.
- Risk and opportunities.
- Implementation of actions and recommendations emanating from the Board and Committees Evaluation.

1.9 BOARD PROCESSES

Table 6: Board processes

Delegation of Authority Framework	The Delegation of Authority Framework was developed within the GMA's legal and regulatory guidelines, to facilitate structured decision-making at all levels of the GMA. It recognises that delegating authority to the Board committees and Management does not exempt the Board from discharging its statutory and fiduciary duties. The Framework is reviewed annually to ensure consistency with the GMA Board Charter, Board committees' Terms of References, key documents and policies. The Framework for the 2024/25 financial year was reviewed and approved by the Board on 30 May 2024.
Conflict of interest	Board members are required to declare any conflicts of interest and sign confidentiality forms prior to appointment, annually, or when significant changes occur. These declarations are accessible to the MEC. At the start of all Board and Board committee meetings, Board members must declare any actual or potential conflicts of interest regarding agenda items. These declarations are reviewed, and if a conflict is identified, the member is excused from discussions on that particular item. A register for annual declarations and all declarations made at Board and Board committee meetings are kept and a copy sent to the MEC.
Board training and development	Ongoing training and skills enhancement are essential for effective governance and the successful performance of the Board. The Board Training and Development Plan for the 2024/25 financial year was approved by the Board on 30 July 2024. Board members receive updates on legislative changes, risks, governance, external environment shifts, issues about the GMA, public transport, rail, and corporate governance. Additionally, they benefit from the Board Training and Development Plan.
Board and Board committees' meetings and events	The Board and its committees develop an annual board plan and work plan to ensure effective meetings and alignment with the Board Charter. The 2024/25 Board Plan, and Annual Work Plans for Committees are reviewed and updated quarterly. Certain members of Senior and Executive Management have standing invitation to the Board and Board Committee Meetings to provide information and give updates and highlights in their areas of responsibilities.

1.10 BOARD MEETINGS AND ATTENDANCE

During the review period, the Board held 4 scheduled meetings, 2 special meetings and 15 strategy sessions.

Table 7: Board, Board committees and Board Advisors' membership and attendance

Board Members	Total Board meetings	Attended	Total ARC	Attended	Total FAC	Attended	Total HCRC	Attended	Total SEC	Attended	Total attended	Total meetings
Prof. Mfanelo Ntsobi Chairperson	21	16	11	x	10	x	x	x	x	x	26	59
Ms Malebo Matolong Deputy Chairperson	21	19	11	x	10	10	13	10	x	x	42	59
Ms Lungile Mtiya	21	18	11	x	10	10	13	13	4	4	45	59
Mr Tshepo Kgobe (CEO effective 1 February 2024)	21	21	11	11	10	10	13	13	x	x	55	59
Mr Bongisizwe Mpondo	21	18	11	11	10	10	13	13	4	3	55	59
Mr Desmond Golding	21	21	11	11	10	10	x	x	4	4	46	59
Mr Bafana Sibisi	21	18	11	11	x	x	13	13	x	x	42	59
Ms Mamelu Luthuli	21	21	11	10	x	x	13	13	4	4	48	59
Adv. Kgotso Maja	21	21	11	11	10	10	13	13	4	4	59	59
Advisors												
Ms Ulrike Britton	21	3	11	2	10	2	13	x	4	x	11	59
Mr Riaz Shaik	21	6	11	3	10	6	13	x	4	x	15	59
Mr Ratshilumela Mashamba	21	4	11	x	10	x	13	x	4	x	4	59
Mr Jan de Villiers	21	1	11	x	10	1	13	x	4	x	2	59

1.11 BOARD EVALUATION

To ensure the Board continually improves its effectiveness, remains fit-for-purpose and actively deals with identified areas of improvement, board evaluations are conducted in accordance with Principle 9 of King IV™ every second year. During the year under review, the Board undertook an independent evaluation of its effectiveness. The evaluation was conducted by the Institute of Directors South Africa NPC. The assessment indicated that the Board was operating at a “**Good**” level, with an overall rating of **3.9 out of 5.0**. Among the evaluated areas, Board Committees demonstrated the highest levels of performance.

1.12 BOARD COMMITTEES

To enhance its efficiency, independence and the comprehensive application of good judgment in discharging governance responsibilities, the Board is supported by various committees. The responsibilities are delegated with clear Terms of Reference and where applicable, Board resolutions.

Non-executive Board members chair all Board committees. The Chairpersons of these committees are part of the Social and Ethics Committee to ensure effective collaboration and co-ordination. During the year under review, the Board was supported by four Board committees namely:

- ▣ Audit and Risk Committee (ARC)
- ▣ Social and Ethics Committee (SEC)
- ▣ Finance and Asset Committee (FAC)
- ▣ Human Capital and Remuneration Committee (HCRC)

1.12.1 Audit and Risk Committee report

Refer to the report of the Audit and Risk Committee in the Annual Financial Statements for more details regarding the activities of the Audit and Risk Committee.



1.12.2 Social and Ethics Committee report

The SEC is a statutory body established under Section 72 of the Companies Act, No. 71 of 2008, as well as in accordance with Section 19 of the GMA Act, King IV™ principles and the GMA Board Charter. Its primary role is to oversee the management of ethics within the organisation and support the Board in cultivating a strong ethical culture.

The committee is also responsible for escalating relevant issues within its mandate to the attention of the Board and the MEC, as necessary. To facilitate informed decision-making, the Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Audit Executive (CAE), and senior managers responsible for Technical Services, as well as Communications and Marketing, are invited to all SEC meetings to provide insights and information relevant to their areas of responsibility.

During the 2024/25 financial year, the SEC focused on several key activities. It reviewed and recommended for approval various policies and significant documents to the Board. The committee also monitored and approved quarterly reports on integrated ethics management, communications and marketing activities, including stakeholder management, social investment programmes, health, safety and environmental matters, and the achievement of B-BBEE targets.

The SEC reviewed reports on human capital quarterly performance, legal compliance and litigation issues, as well as risks and opportunities registers. Through these efforts, the SEC continued to fulfil its mandate of promoting ethical conduct and social responsibility within the organisation.

The SEC is satisfied that it has performed its duties in accordance with its approved Terms of Reference for the 2024/25 financial year.

A handwritten signature in black ink that reads "Mamela Luthuli".

MS MAMELA LUTHULI
SEC Chairperson



1.12.3 Finance and Asset Committee report

The FAC is established as a Board committee in accordance with Section 19 of the GMA Act, comprising a minimum of three members.

The committee includes the COO, CFO, CAE, and senior executive managers responsible for Technical Services and Communications and Marketing Business Units, all of whom have standing invitations to attend FAC meetings to provide relevant information and input within their areas of responsibility.

During the 2024/25 financial year, the FAC focused on reviewing and recommending various matters to the Board, including policies and key documents, reports on the Post-2026 Gautrain Project, the closeout of the current CA, and the feasibility study of the GRRIN Extensions. It assessed reports on the implementation of commercial initiatives, financial management of the Gautrain Project, financial securities provided by the Concessionaire, and the review of GMA Operations and GMA Systems Assets insurance.

The committee also reviewed the GMA Budget Reprioritisation, support services requested from the GMA, office infrastructure projects, the upcoming 2025/26 financial year budget, quarterly performance reports, and specific incident reports such as the Gauteng Province's Construction All Risks insurance claim and the implementation of the GMA Integrated Security Strategy, along with the integration of the Gautrain System with other public transport systems.

The FAC reviewed and approved quarterly reports on the Concessionaire's Performance Monitoring System, patronage, consolidated financials, asset management, supply chain management, security strategy implementation, portfolio management, asset and maintenance systems, facilities management, personnel expertise and resources in the Finance Business Unit, and the management of finances and securities related to the Gautrain Project. The committee also monitored the Gautrain capacity forecast dashboard.

Overall, the FAC is satisfied that it has executed its duties in alignment with its approved Terms of Reference for the 2024/25 financial year.

MR DESMOND GOLDING
FAC Chairperson





1.12.4 Human Capital and Remuneration report

The HCRC is established as a Board committee in accordance with Section 19 of the GMA Act requiring a minimum of three members to comprise the committee. Its role is to support the Board in overseeing the development and review of human capital policies and ensuring the implementation of strategies that enable the GMA to meet its short-, medium-, and long-term goals.

To facilitate this, the CEO, CFO, COO, CAE, and Senior Executive Manager responsible for Corporate Services are given standing invitations to attend all HCRC meetings, where they provide the necessary information and insights related to their areas of responsibility.

During the 2024/25 financial year, the committee focused on reviewing and recommending several key documents and decisions to the Board. These included policies and other essential documents, proposals for bonus payments for the 2023/24 financial year, salary increases, and pay scales for the 2024/25 financial year, as well as bonuses for the Driving License Testing Centres for the same period.

The HCRC also examined reports on knowledge management, the Board's Training and Development Plan, organisational restructuring efforts, and ongoing organisational reforms aimed at positioning the GMA for future success. It reviewed and approved quarterly reports concerning human capital, the implementation of training and development programmes, and the execution of human capital initiatives.

The committee is confident that it fulfilled its responsibilities in line with its approved Terms of Reference for the 2024/25 financial year.

ADV. KGOTSI MAJA
HCRC Chairperson

1.13 COMPANY SECRETARY

The Company Secretary plays a key role in guiding the Board members to execute of their duties, keeping the Board aware of relevant changes in legislation, and corporate governance best practice. The Company Secretary is also secretary to the Board committees and the Board members have unrestricted access to the Company Secretary.

In the last quarter of the year under review, the Board appointed Mr Nhlamulo Majoko as the Acting Company Secretary of the GMA.

1.14 INTERNAL AUDIT

Internal Audit's mandate supports the overall GMA strategy and ensures the achievement of objectives by providing high quality assurance, advisory and relevant business insight and foresight as an integral part of its activities. Through execution and completion of the approved Internal Audit Plan, Internal Audit:

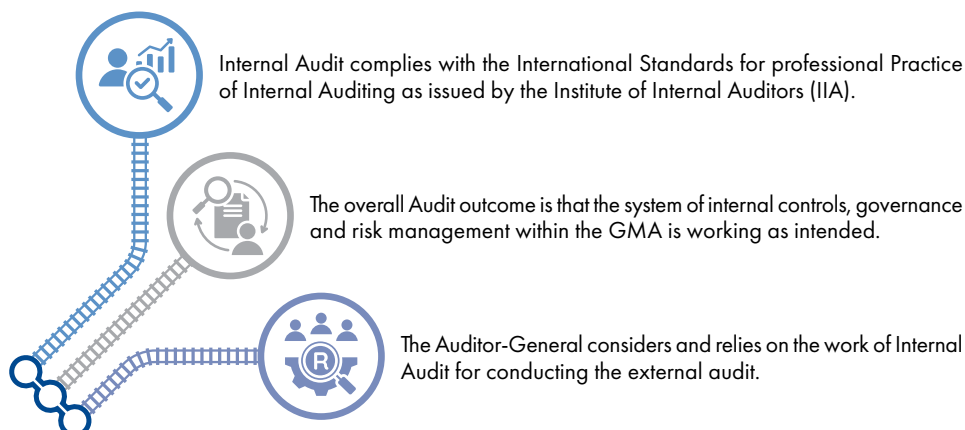
- ▣ Offers an independent evaluation of the GMA's governance, risk management, and control processes implemented by Management and the Board to achieve the GMA's purpose: Transforming spaces, people, and the economy through mobility.
- ▣ Ensures that the GMA's strategic objective of providing assurance regarding compliance with internal controls is achieved.

By fulfilling these responsibilities, Internal Audit helps to safeguard the GMA, enhances the reliability of financial reporting, and supports the Agency in achieving its strategic goals.

During the financial year, Internal Audit conducted quarterly reviews of GMA Management's Key Control Dashboard, focusing on PFMA compliance in leadership, financial and performance, and governance.

Internal Audit submitted the Quarterly Consolidated Internal Audit Report to the Audit and Risk Committee, highlighting progress and major changes to the Annual Internal Audit Plan.

All 35 audit projects were completed as per the 2024/25 Internal Audit Operational Plan, covering all GMA business units. Additionally, Internal Audit completed all Whistleblowing and reviews requested by Management.



2 PROMOTING AN ETHICAL CULTURE

2.1 ETHICS IN THE GMA

The GMA Board underscores the importance of ethical leadership in fostering institutional performance and stakeholder trust. By integrating ethical principles into governance frameworks, organisational values, and decision-making processes, the Agency prioritises preventing misconduct, promoting accountability, and cultivating a culture of integrity across the organisation.

The Agency has reinforced its commitment to ethical leadership in the 2024/25 financial year by focusing on ethics training, fraud risk management, policy education, and fostering a values-driven culture across its business units.

2.2 GOVERNANCE AND OVERSIGHT

The GMA Board SEC and Ethics Committee with oversight responsibilities. An Ethics Champion as well as Ethics Ambassadors from various business units were nominated to support the institutionalisation of ethics in the GMA.

2.3 ETHICS MANAGEMENT PROGRAMME

The Ethics Management Programme employs a range of tools and mechanisms to embed an ethical culture across the organisation. These include:

- ▣ Conflict of Interest Management;
- ▣ Gifts and Hospitality Declarations;
- ▣ Annual Declarations of Financial and Personal Interest;
- ▣ Ethics Awareness and Training Campaigns;
- ▣ Data-driven insights from independent ethics climate surveys and trend analyses; and
- ▣ Analysis of internal and external fraud and corruption incidents.

These efforts are designed not only to raise awareness but also to proactively manage ethical risks, reinforce accountability, and strengthen ethical decision-making at all levels of the organisation.

2.3.1 Ethics codes, related policies and key documents

The Board has formally approved a suite of ethics-related policies, including the Business Code of Conduct and Ethics for Members of the Board and Employees, which provides clear guidance to employees on expected standards of behaviour. These policies include:

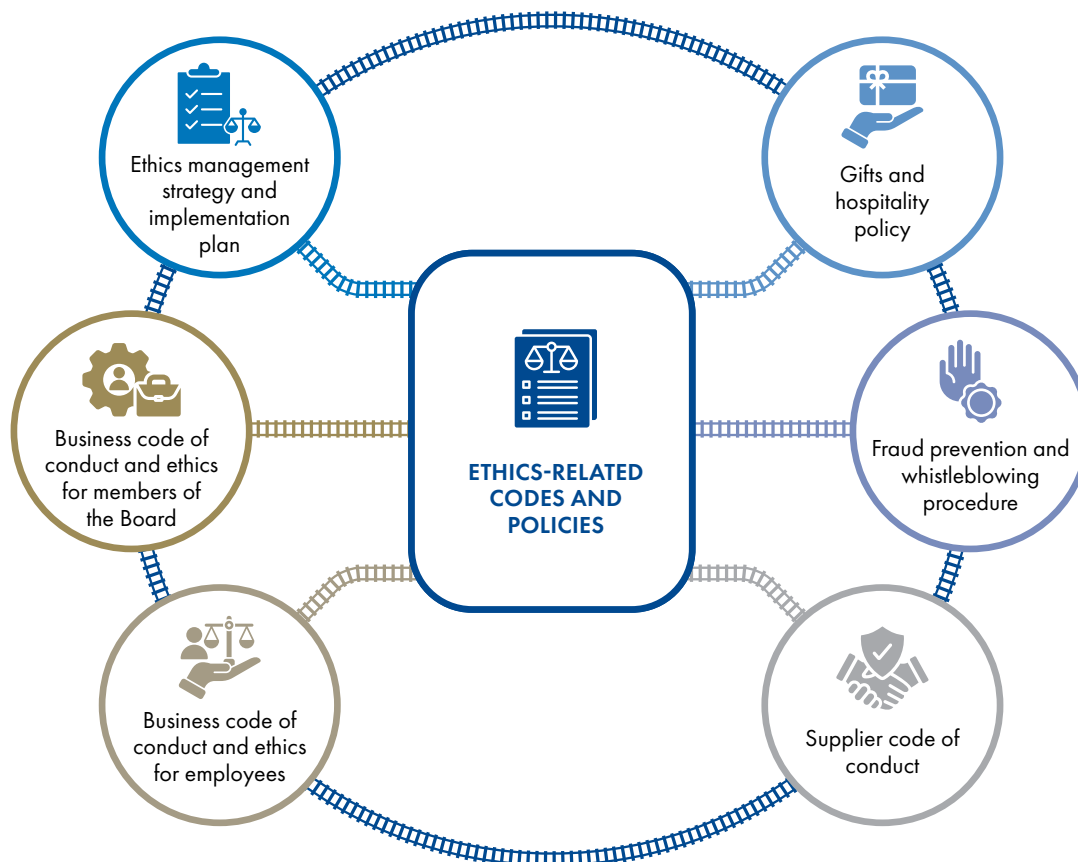


Figure 7: Ethics-related codes and policies

2.3.2 Institutionalisation of ethics

Ethics training and awareness interventions

As part of its commitment to cultivating an ethical organisational culture, the GMA implements continuous ethics awareness sessions as a key component of its Ethics Management Strategy. These sessions are specifically designed to address both current and emerging ethics risks, and to reinforce a culture of accountability, integrity, and responsible decision-making across all levels of the GMA.

Regular, practical, and tailored training for all employees is essential for enhancing ethical maturity and fostering an ethical culture within the organisation. These initiatives are critical to strengthening awareness, embedding shared values, and promoting consistent ethical behaviour throughout the Agency. Key interventions undertaken during the year under review included:

- ▣ Whistleblower Day Newsletter (July 2024), promoting transparency and safe reporting.
- ▣ Global Ethics Day Newsletter (October 2024), which highlighted global trends and internal ethics initiatives.
- ▣ International Fraud Awareness Week Campaign (November 2024), featuring educational materials, information sessions, and interactive activities such as ethics quizzes and knowledge competitions to reinforce GMA's ethics-related codes and policies.
- ▣ Ethics Ambassadors Programme (9 to 10 September 2024) launch, a pivotal initiative aimed at decentralising ethics promotion. Ambassadors were formally trained and now serve as a key support structure to the Ethics Office, assisting in championing ethical conduct throughout the organisation.
- ▣ Development of digital posters for the "Risk Wednesdays" campaign to keep ethics top-of-mind on a weekly basis.
- ▣ Ethics Management Tool is in the process of being developed.

Fraud and corruption

The GMA's zero-tolerance stance on fraud is reinforced through quarterly monitoring and an independently managed hotline. Two fraud reports were received during the period under review. Both were investigated, with no substantiated findings. Nonetheless, each report contributed to trend analysis and informed enhancements to the organisation's processes.

Management of the conflict of interest

Effective management of conflict of interest is essential, as it reinforces GMA's commitment to trustworthiness, transparency, and ethical conduct. Failure to manage conflicts of interest can lead to perceptions of untrustworthiness, thereby impacting the reputation of the organisation and employee morale negatively.

Conflict of Interest Management has become an integral part of the culture at GMA. It is incorporated into the recruitment process for both panel members and candidates. The supply chain process requires declarations of interests, allowing the organisation to determine whether an employee is suitable to participate. Additionally, the management of gifts and hospitality is handled by the Ethics Management business unit, which analyses gifts received by employees to ascertain whether a conflict of interest exists.

The GMA Gift and Hospitality Policy distinguishes between proper conduct and unethical practices. It mandates declaring all gifts and hospitality worth R350 or more in a monitored central register to prevent corruption, reputational harm, and conflicts of interest. Employees in high-risk areas like Drivers' License Testing Centres (DLTCs) and Supply Chain Management cannot accept any gifts due to the nature of their work.

The Agency has put in place the following processes and procedures to manage conflict and/or potential conflict of interest matters.

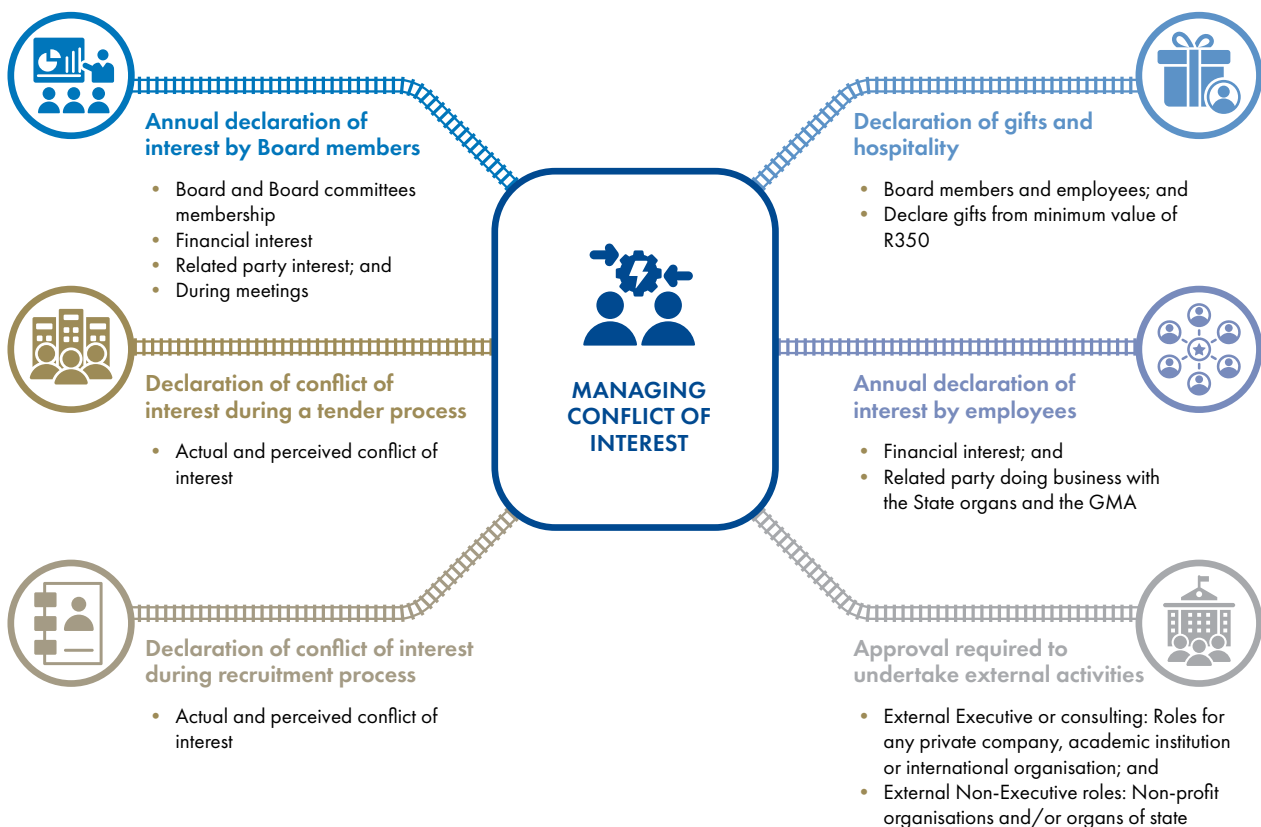


Figure 8: Management of conflict of interest

3 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1–8) with regards to the following:		
Criteria	Response Yes/No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	Yes	The GMA utilises the B-BBEE status level of the contributor of the B-BBEE Codes of Good Practice as a preference for specific goals as envisaged in Sections 2(1)(d) and (e) of the PPPFA.
Developing and implementing a preferential procurement policy	Yes	The GMA utilises the B-BBEE status level of the contributor of the B-BBEE Codes of Good Practice as a preference for specific goals as envisaged in Sections 2(1)(d) and (e) of the PPPFA.
Determining qualification criteria for the sale of state-owned enterprises	No	-
Developing criteria for entering into partnerships with the private sector	Yes	The GMA utilises the B-BBEE status level of the contributor of the B-BBEE Codes of Good Practice as a preference for specific goals as envisaged in Sections 2(1)(d) and (e) of the PPPFA.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment	No	-



4 SUPPLY CHAIN MANAGEMENT REPORT

The GMA did not have any irregular, fruitless and wasteful expenditure or material losses. There was no late or non-payment of supplies that occurred during the reporting period.

4.1 PROCUREMENT BY OTHER MEANS

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Off-site secure project working venue from 31 July– 12 October 2024. Package inclusive of 7 x Breakaway Rooms; 1 x main conference room; 20 PAX x Accommodation (DBB); 50 PAX x Full-day conference (incl. lunch)	The Blades Hotel	Limited bidding	GMASGPO1503003	R3 907 250
Procurement of the advertising space for Gautrain on SABC Channels	SABC	Single source	GMASGPO1508005	R1 495 000
Total				R5 402 250

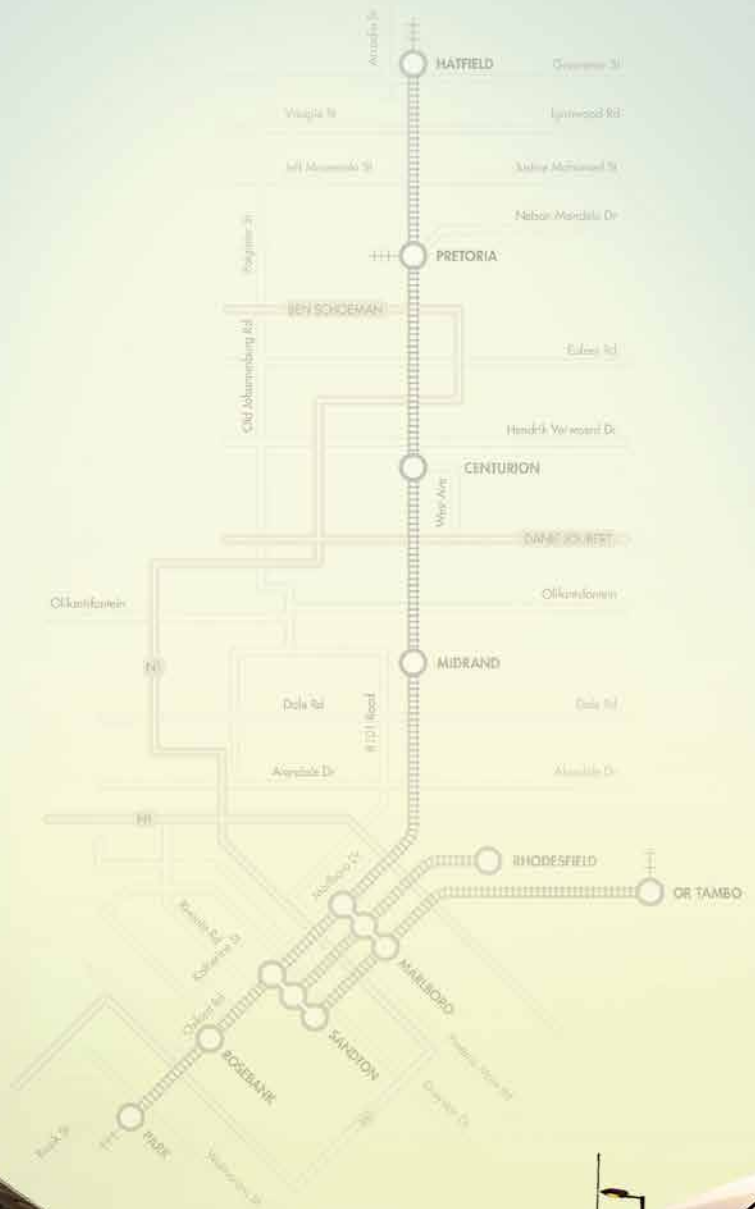
4.2 CONTRACT VARIATIONS AND EXPANSIONS

No contract variations and expansions above the threshold of 20% for construction related goods and services or 15% for all other goods and services were noted in the year under review.





HOW THE GMA CREATES VALUE (STRATEGY)



1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives. Please refer to pages 101 to 105 in the Auditor-General's report published in the Financial Information section of this report.

2 SITUATIONAL ANALYSIS

2.1 THE GMA'S EXTERNAL ENVIRONMENT

The Gautrain is a rail transport system in Gauteng. It operates within the passenger rail sector, adhering to transport legislation and Province-wide strategic planning and transport integration.

The GMA continues to fulfil its mandate according to the regulatory and planning frameworks within which it operates, ensuring effective outputs from the Gautrain System and its expansion. Additionally, it undertakes preparatory work to facilitate the development and implementation of the planned GRRIN Extensions as per approved policies.

With the current Gautrain Concession expiring in March 2026, the processes to enable its replacement being at an advanced stage. As part of this process, the GMA was granted Treasury Approvals IA and IIA, effectively clearing the path for the GMA to enter the procurement phase. The project is expected to reach a financial close by mid-March 2026.

2.2 SERVICE DELIVERY ENVIRONMENT

Gautrain service delivery, measured in terms of customer satisfaction, equates to an average Net Promotor Score of 96%, which is well above the benchmark of 86%. Gautrain continued to offer reliable transport despite the challenges that were encountered in the year under review.

From an operational perspective, underperformance of the Gautrain was primarily attributable to, the impact of infrastructure on service reliability; and occasional service disruptions the System experienced. In the year under review, there was a labour strike which also contributed to the service delivery.

The following are being considered and planned to improve service delivery towards increasing the Gautrain ridership and revenue:

- ❑ Strategic marketing will target diverse groups, including pensioners, students, and people with disabilities.
- ❑ Efforts will focus on a customer-centric approach and inclusive branding through proactive communication.
- ❑ Reviewing the fare policy to consider fare adjustments to make the system accessible.
- ❑ Partnerships with special event organisers to support transport to big concerts and sporting events thereby increasing ridership and passenger retention.

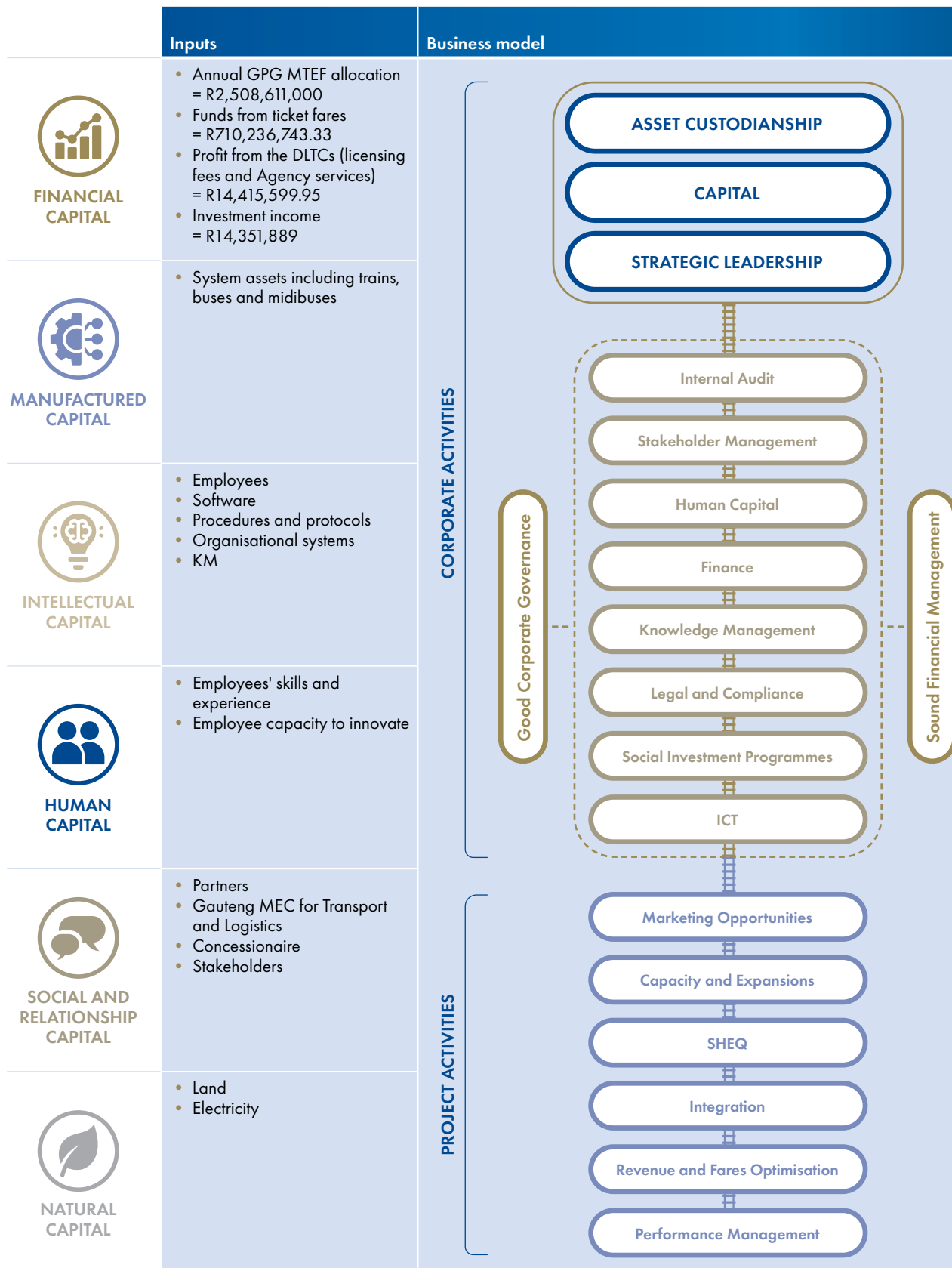
2.3 ORGANISATIONAL ENVIRONMENT

Significant developments within the GMA that may have had an impact on the Agency's ability to deliver on its Strategic Plan and APP, include:

- ❑ Implementing the GPG's stated plan for the Gauteng Provincial Growth and Development Plan.
- ❑ Repositioning the Agency to be data-driven and exploit opportunities offered by technology.
- ❑ Positioning the GMA as a thought leader and capaciator to enhance leadership by contributing to development in the rail and transport sector.
- ❑ Contributing to skills development through the GMA's graduate programme that prepares young graduates for employment opportunities in the future.
- ❑ Continuing to plan for the end of the current CA to ensure a seamless handover process from the current Concessionaire to the Successor Concessionaire post the current CA.
- ❑ Maintaining the GMA's standards of governance and financial management.

3 DELIVERING VALUE THROUGH THE BUSINESS MODEL

The core of GMA's business model is designed to deliver operational excellence, resilience and sustainable shared value for all stakeholders, through the six capitals. This shared value creation focuses on identifying and expanding the relationship between societal and economic progress over time by linking inputs and outputs to the consequences (or outcomes) for the six capitals. The business model is empowered by trusted stakeholder partnerships, comprehensive risk management processes and sound corporate governance practices to maximise value creation.



	Outputs	Outcomes	Capitals impacted
	Reliable and secure public transport services that are attractive to Gautrain users. Development nodes around stations with land use that takes advantage of the proximity to the Gautrain. Value added services to passengers.	• Growth in revenue • Economic benefits • More efficient land use	 
	Assurance that the Gautrain assets are well maintained and remain fit-for-service with an appropriate remaining useful life. Continued investment in planning and implementing asset improvement projects.	• Increase in size of System • Growth in asset value	
	GMA and Gautrain intellectual property, copyrights, software and organisational systems. Policies and procedures related to System expansion and extension planning, asset assurance, performance management, marketing and supply chain management. A KM system based on knowledge generation and sharing.	• Development of industry knowledge • A competitive advantage in delivering on financial and manufactured capitals • An iconic Gautrain brand • Favourable reputation amongst stakeholders	 
	Efficient communication and relationship development with stakeholders. Human capital development initiatives. A healthy remuneration philosophy. An efficient performance management system. An ethics-based governance system.	• Growth in brand value • Staff talent growth • Efficient performance management • A culture of ethics	  
	Increased revenue to local businesses. Boosted supply chains in the local rail industry. Increased employment.	• High SED benefits • Improved stakeholder relationships • Collective wellbeing, through common values and behaviours, key relationships and the trust and loyalty of its stakeholders	
	A safe operating environment. Reduced carbon emissions compared to private car usage. Reduced road congestion.	• Improved environmental outcomes	

4 GMA'S MATERIAL MATTERS RELATING TO RESOURCE ALLOCATION

The GMA continued to commit significant resources to planning and implementation of various initiatives and projects related to increasing capacity, operational efficiencies in key areas of passenger demand, safety of the Gautrain, and the continuation of services beyond 2026.

Resources were also committed to the planning for the extensions of the GRRIN (Soweto Extensions and Cosmo Junction) as part of enabling their implementation. Addressing issues raised by key stakeholders on the extensions remains an ongoing activity.

4.1 FINANCIAL ARRANGEMENTS OF THE GAUTRAIN

The Gautrain Project's expenditure is funded through Provincial transfers. The Patronage Guarantee (PG) payment that is set out over the MTEF period based on the current estimates of ridership and fare increases. The PG covers the initial capital contribution by the Concessionaire, the planned maintenance costs on the System assets, and planned capital replacement costs. These costs are defined in the CA and formed the basis of budget projections at the time.

With the revenue that would accrue to the private party during the operating period of the Gautrain PPP being viewed as highly uncertain, the CA has a financial metric known as the Minimum Required Total Revenue (MRTR). If the revenue received by the Concessionaire from operating the Gautrain is less than the MRTR, the Concessionaire is considered to require revenue support in the form of a PG from the Province. The bidders for the Project were therefore, at the time of procurement of the Gautrain project, competing on the basis of the combined lowest provincial contribution and PG payable by the Province.

Payment of the PG is performance-based, and the Concessionaire is exposed to significant reductions in the event that train or bus performance drops below specified levels. This particular financial structure results in strong incentives for the Concessionaire to perform to high levels of delivering the Gautrain and operating it during the Concession Period, and to minimise operating costs. It furthermore results in limited incentives for the Concessionaire to maximise the revenue from operating the System.

This impacts on the business model of the GMA to counteract the lack of financial incentives by assuring adequate operating and maintenance standards and by maximising revenue through growing the ridership and expanding the Gautrain System on a sound business basis.

5 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Key policy or legislative changes, with an impact on the GMA, include the Public Procurement Act, which was assented to by the President in July 2024, but the effective date of commencement thereof is yet to be determined. The Act was unpacked and its ambit as well as impact on the GMA were established, in order to enable the GMA to proactively ready itself to be compliant with the Act, once it promulgated.

The GMA further reviewed the Railway Safety Bill, which was published for public comment, and submitted comments thereon to the National Council of Provinces' Select Committee on Transport, Public Service and Administration, Public Works Infrastructure.

In addition, pursuant to an invitation by the Head of Infrastructure South Africa (ISA), a comprehensive Commentary was submitted by GMA to ISA regarding the draft Infrastructure Planning and Development Bill (Infrastructure Bill). The primary purpose and objectives of the Infrastructure Bill are to identify and prioritise infrastructure projects, in order to align and dedicate capabilities and resources for the effective implementation and operation of national pipeline projects and strategic integrated projects.

Furthermore, the GMA was invited by the National Department of Transport to scrutinise and submit its comments, which it duly did, on the National Public Transport Subsidy Policy (Subsidy Policy). The Subsidy Policy is intended to contribute towards the creation of a sustainable public transport system and to meaningfully contribute towards the national drive to realise the United Nations' Sustainable Development Goals.

Upon promulgation of the National Rail Policy, the South African Local Government Association (SALGA) developed a draft Position Paper for Devolution of Urban Rail Functions (Position Paper). The GMA was requested by SALGA to comment on the Position Paper and it duly obliged.

The GMA continues to collaborate with the GDRT in reviewing and processing the Gauteng Transport Infrastructure Amendment Bill (GTI Bill), which is intended to overhaul the current GTIA. It is envisaged that, once the GTI Bill is promulgated, the Province will be able to use it to, among others, diversify its service offerings by commercialising some of its activities.

6 MANAGING GMA RISKS AND OPPORTUNITIES

The GMA is committed to a process of sound risk management aligned with the principles of good corporate governance, consistent with the PFMA and Public Sector Risk Management Framework (PSRMF).

The GMA continued to embed an EWRM System within the Agency. This resulted in continuous improvement in the maturity of the risk management system, with a clear allocation of responsibilities across the GMA Board and Board committees, Management and employees. A risk maturity assessment is performed annually. The current status of the entity's risk maturity is reflected in Figure 9.

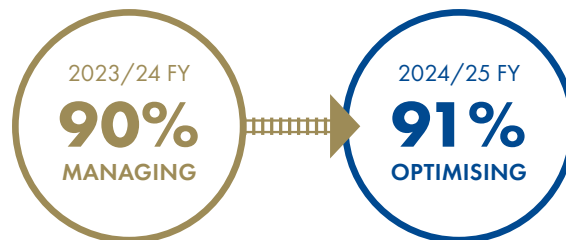


Figure 9: Risk maturity transition

The risk maturity transition was achieved by various initiatives driven by the GMA Board including:

- Continuous development of Project Risk Registers and implementation of a revised project risk matrix;
- Review of project risk reports for the Enterprise Portfolio Management;
- Progress towards the development of a Sustainability Framework;
- Opportunity management with ongoing review of the opportunity risk register;
- Ongoing analysis of risks in terms of the six capitals of the Integrated Reporting Framework
- Risk awareness initiatives; and
- Consideration of risks related to the Post-2026 strategy.

The GMA continued to build on the foundation laid during the Operating Period, which included:

- Review of opportunities for the organisation per the opportunity management register;
- Strengthening the risk maturity within the entity, at all levels, by embedding the Agency's risk management culture, including frequent risk awareness initiatives;
- Continuous monitoring of the Enterprise-Wide Risk Appetite and Tolerance Framework, Strategic and Operational Tolerance Dashboards as well as the Strategic Control Register;
- Rigorous implementation and monitoring of the defined risk management plans;
- Ongoing assessment of the risks associated with Post-2026 planning;
- Alignment of risk management processes with International Organization for Standardization (ISO) standards, including development and revision of risk process maps;
- Support of the Governance and Ethics function including an annual review of alignment to King IV™ principles;
- Implementation of the Sustainability Policy;
- Revised System Disruption Register; and
- Development of a Project Close-Out Risk Register.



6.1 ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

The GMA developed an Enterprise-Wide Risk Management (EWRM) Framework that is applied across the entire organisation from a strategic level to operational and project management process levels. The framework supports the GMA in improving and sustaining its performance by enhancing its systems of risk management to protect against adverse outcomes and optimise opportunities; and further outlines the authority and responsibilities of all stakeholders responsible for the management of risk and was developed in terms of the prescripts indicated in Figure 10 below:

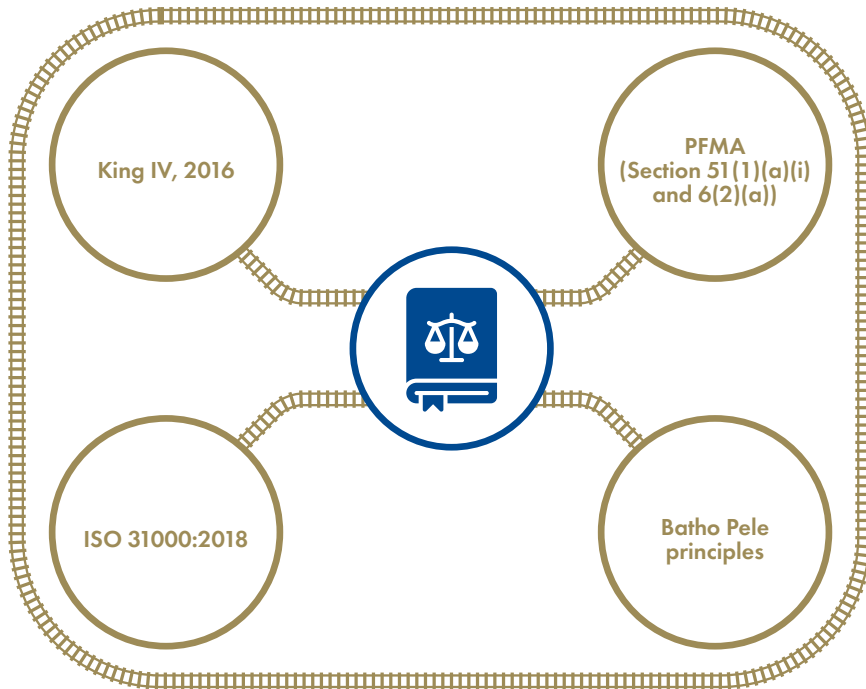


Figure 10: Enterprise-Wide Risk Management Framework



Figure 11: Classification of risks

6.2 RISKS AS PER THE RISK REGISTER

The GMA Board and Management have considered the environment it operates in as well as potential future events that include the following:

- ▣ Proposed GRRIN extensions;
- ▣ Commercialisation;
- ▣ Post-2026 planning initiatives;
- ▣ The need to reduce GMA's carbon footprint;
- ▣ Possible devolution of commuter rail services to the Gauteng Province;
- ▣ A struggling economy post-COVID-19 and the high unemployment rate; and
- ▣ The ongoing digital transformation (disruptive technologies).

The GMA's areas of focus will continue to grow together with the monitoring of its operating environment, and the ability to formulate responses. Any available resources will be focused on addressing any risks for the best possible results.

Where constraints are identified these will be monitored, while risks identified will be mitigated and incorporated into the EWRM System.

Within the context of shared value creation and outcomes across multiple capitals, management of the top five strategic risks can be summarised in Table 8. Some of the elements of these risks are not under the direct control of the GMA and, to the extent that they impose constraints on the GMA, will be reported as such to the Board and stakeholders. Risks within the influence or control of the GMA form part of the EWRM Framework and appropriate mitigations and controls will be developed and implemented.

Table 8: Top five strategic risks

Risk no.	Risk description	Mitigations	Outputs (strategic objectives)	Six capitals	Inputs	Outcomes desired/achieved
1.	Business continuity at the end of the Concession period in 2026 and beyond.	- Asset Handover Project - GRRIN Extensions - Post-2026 Gautrain Project	Ensure that the management of the relationship with the Concessionaire optimises performance delivery	- Financial - Natural - Manufactured - Social and Relationship - Intellectual Material theme: - Operational efficiency, sustainability and resilience. - Socio-economic development.	- Additional trains - Concession Agreement: old and new - Portfolio management - Innovation - Land acquisition	- Business continuity - Assets with desired RUL per CA - Growth in revenue - Growth in asset value - Economic benefits - SED benefits - Increase in the size of the System
2.	Cyber security and information governance (unauthorised disclosure or access to GMA information – internal and external cyber-attacks) resulting in financial and reputational loss. The risk increases with the digital evolution of the Agency and increasing value of procurement transactions (taking into account the Post-2026 Project) and increased reliance on external consultants.	- Intelligence-based, and AI-driven threat monitoring and detection - Security Operation Centre (SOC) - User awareness and training - Data privacy and governance tools - Advanced security tools - Enhanced endpoint security and protection - Data protection	Provide a secure and reliable information technology environment that facilitates knowledge sharing	- Financial - Social - Human - Intellectual Material theme: - Operational efficiency, sustainability and resilience. - Innovative approaches to integration and KM.	- Cash reserves - Licences - Agreements - Policies, procedures and protocols - Training	- Strong governance structures - Technically skilled employees - Data is well managed, secured and enabled to be shared

Risk no.	Risk description	Mitigations	Outputs (strategic objectives)	Six capitals	Inputs	Outcomes desired/achieved
3.	Low or static growth for both train and bus passengers impacting the PG payment and resulting in reputational loss. Operating in a post-COVID-19 economy and a hybrid working environment, train passenger numbers are not at pre-COVID-19 levels yet. The consequences are as stated above.	- Monthly monitoring of passengers - Marketing mitigation measures - Penalty regime - Increased security at stations - System (IFM): Euro-visa Project - Post-2026: Operational readiness	Increase the ridership of the Gautrain System so as to minimise the PG	- Financial - Social - Manufactured Material theme: - Operational efficiency, sustainability and resilience. - Responsible financial and contract management.	- Concession Agreement - Customer survey - Reputation audit - Additional trains	- Growth in revenue - High customer satisfaction - Growth in brand value - Growth in usage - Growth in asset value
4.	Inability to meet PG commitments in the long term.	The GMA funding plan which includes: - A reprioritisation of GDRT and the GMA budget - Additional budget requests to Treasury - Commercialisation	Increase the ridership of the Gautrain System so as to minimise the PG	- Financial - Social - Manufactured Material theme: - Operational efficiency, sustainability and resilience. - Responsible financial and contract management.	GMA funding plan initiatives	Business continuity
5.	Perceptions about the Gautrain that impact negatively on its reputation and brand value.	- Perception audits - Various brand value opportunities identified as part of the brand value strategy - Integrated Communication and Marketing Strategy - Procurement Plan - Brand Management Policy - Media Management Policy - Spokesperson and Social Media Management Policy - Constant media analysis - Monthly MarkComms meetings with Concessionaire to monitor items of concern	To ensure that the obligations of the Concessionaire are met and that the CA is managed for the optimal benefit of the Gauteng Province, its residents, users and visitors	- Financial - Social - Manufactured Material theme: - Operational efficiency, sustainability and resilience. - Responsible financial and contract management.	- Customer survey - Reputation audit - Brand valuation	- Growth in revenue - High customer satisfaction - Growth in brand value - Growth in usage - Growth in asset value

The GMA operates under the constraints indicated in Figure 12.

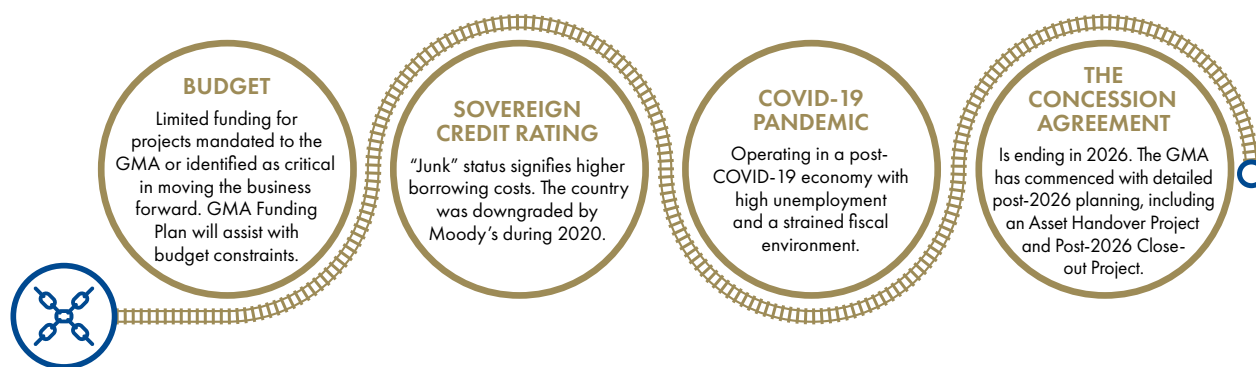


Figure 12: Constraints

The table that follows summarises GMA's risks.

Table 9: GMA combined heat map as at 31 March 2025

IMPACT	Major		CEO9 CEO10		F2	
	Significant		CM2 TE5 IT5 CEO Em 4	T6 T7 C6 C7 CEO2 CEO Em 5 CL2 CL3 CM1 CM3 IT1 IT2 IT3 CEO Em 6 KM1 CEO11 P17 P27 P30		
	Some/moderate			T3 T5 CGS1 CM4 CEO1 CM5 CM6 IA2 CL1 RM1 CEO5 C1 C2 C3 KM1 P1 P5 P6 P7 P8 P10 P11 P16 P18 P19 P23 P26 P28 P31	T1 T4 CEO Em 1	
	Insignificant		IA1 HC1 IA4			
	None					
		Occurs rarely	Improbable/low	Medium	Real chance	Almost certain
PROBABILITY						

T	Technical Services	IA	Internal Audit	CL	Compliance and Legal
TE	Technical Emerging	CM	Comms/Marketing	F	Finance
IT	Information Communication Technology	CEO	Office of the CEO	CGS	Corporate Governance and Ethics
HC	Human Capital	CEO Em	CEO Emerging	RM	Risk Management

The GMA risks (66 in total of which 5 are emerging risks) are well mitigated and most risks are in the low to medium probability/impact zones. Management actions are in place to manage the risk in the red zone. The top 5 strategic risks are highlighted on the heat map and referenced in Table 8.

- **CEO9:** Business continuity Post-2026 – see point 1 in Table 8;
- **IT2/IT3:** Cyber security, information governance and service continuity – see point 2 in Table 8;
- **T1:** Low or static growth in ridership – see point 3 in Table 8;
- **F2:** Inability to meet PG commitments in the long term – see point 4 in Table 8; and
- **CM1/CM2:** Perceptions about the Gautrain that impact negatively on its reputation and brand value – see point 5 in Table 8.

6.3 OPPORTUNITIES

The GMA identified a range of opportunities related to the achievement of the desired outcomes of revenue growth, growth in user numbers, and increased size of the System. These opportunities are divided into 10 categories.

Table 10: Opportunity categories

1.	Expansion of the System with the acquisition of capital assets such as additional parking, modernised fare collection systems, and other enhancements. The expansion of the additional parking, as well as the deployment of modern fare collection systems, and new generation fare gates are in the process of being deployed.
2.	Extension of the System. The GMA has completed a Feasibility Study for the GRRIN Extensions that will be developed in accordance with the GTIA, and PFMA following National Treasury approval. These extensions form part of enabling the development of the 25-Year ITMP25, as well as the GPG's other strategic development planning and will thus contribute to significant economic growth for the Gauteng Province, along with many other benefits.
3.	The Post-2026 Project provides an opportunity to assess the effectiveness of risk transfer, which allows for the determination of value for money for the Gautrain system as a PPP project. It will also help to create local supply value chains to support the railway industry and rail infrastructure throughout the life cycle of the railway infrastructure. The Project also presents opportunities to position transport as a lifestyle choice due to the refurbishment of Gautrain stations such as addition of coffee shops, retail and recreation services.
4.	Revenue enhancement measures to take advantage of the commercial opportunities inherent in the Gautrain System. The System, as well as the foot traffic it creates enables the implementation of various sources of alternative revenue such fixed advertising boards, digital advertising media, activations, as well as vehicle wraps on the Dedicated Feeder and Distribution Services (DFDS) busses.
5.	Development of partnerships with key public and private entities that benefit both parties.
6.	To attract and retain talent by maintaining the GMA's certification as a Top Employer in South Africa and a globally recognised leader in Africa through various human capital initiatives such as the new onboarding programme, revised performance management system, digital learning, employer branding, wellness programme and the leadership academy.
7.	Diversification and optimisation of alternate revenue streams through delivery of the commercial strategy (Licencing and Agency Services). The commercial strategy will contribute to business resilience and sustainability.
8.	Rolling out a stakeholder management plan for GRRIN, Post-2026, COCA and other related projects, which provides an opportunity to create awareness and buy-in from key stakeholders as well as managing public perceptions and communication flow, resulting in a positive impact for the GMA brand. An improvement in internal stakeholder management will further result in an engaged workforce during COCA and Post-2026 Projects.
9.	A social investment programme for the Marlboro partnership to uplift the community and enhance security and stakeholder relations in the area.
10.	The GMA's assistance to the Transport Authority for Gauteng (TAG) with regards to the ITMP25 and other strategic rail-related planning initiatives will enable better integration for the Gautrain in transport planning.

6.4 ACHIEVEMENT OF IMPACTS AND OUTCOMES

6.4.1 Strategic performance overview

The GMA's strategy is aligned with the Gauteng MTSF as well as the Growing Gauteng Together 2030 plan, while also being a key component of the smart mobility objectives of the GDRT as captured in the Growing Gauteng Together Through Smart Mobility 2030 strategy. The Agency has an important role in the Province as a stimulator for economic growth, spatial transformation and industrialisation through infrastructure delivery and service excellence which contributes to the Strategic Priorities of the Province and reinforces Gauteng as the economic hub of South Africa.

The GMA also continued to move towards an outcome-based approach in terms of the application of King IV™ principles.

The GMA made good progress across several areas in the 2024/25 financial year, particularly in terms of oversight of the Concessionaire where the Gautrain strived to achieve operational efficiency. The train service operations achieved an average availability of 99.51% and punctuality of 97.57% over the review period. Service quality remained consistent despite a marginal rise in service-affecting incidents during the latter part of the financial year.

The fare evasion rate applicable throughout the year remained below the 4% norm, resulting in an average fare evasion rate of 0.00% in 2024/25, which is in line with the fare evasion rate recorded in the previous financial year.

The GMA has, in collaboration with the Concessionaire, continued with the implementation of security enhancement initiatives throughout the System. These security initiatives include the deployment of effective security measures to secure Gautrain commuters and infrastructure. This contributed to customer satisfaction by maintaining safe transport operations.

Since the start of the financial year, the total passenger trips recorded were 7,860,068, resulting in a 0.50% decrease in passenger trips when compared to an increase of 10.79% during the previous year.

Table 11: Passenger trips per financial year

Service type	Airport passenger	General passenger	Total
FY 2023/24	747,724	7,154,764	7,902,488
FY 2024/25	710,214	7,149,845	7,860,068
% Change	-5.00%	-0.10%	-0.50%

The performance of the bus service achieved an aggregated availability of 98.01% and punctuality of 94.32%. In the financial year the bus passenger trip numbers were at 2,381,914 which is 7.73% lower when compared to 2023/24, reversing the previous year's 10.96% growth.

The performance of the Midibus Feeder and Distribution Service (MFDS) routes continued to exceed projected demand expectations. The number of passengers transported in the 2024/25 financial year was 825,523, which is an increase of 60,428 passengers compared to the previous year. The performance of MFDS routes aligns with the projected expectations for this financial year.

The GMA continued to progress in the implementation of the Post-2026 Project, with the procurement process currently in an advanced stage. As part of this process, the GMA was granted Treasury Approvals IA and IIA, effectively clearing the path for the GMA to enter the procurement phase. The project is expected to reach a financial close by mid-March 2026.

The planning for the GRRIN extensions proceeded with the completion of the preliminary route alignment study to enable determination of the route for the Soweto Extension and Cosmo City Junction project. In accordance with the GTIA, GMA published the route alignment study of the Soweto Extension and Cosmo City Junction for public comment. The updated report will be finalised and submitted to the MEC in the new financial year.

SED targets were met and exceeded as the Gautrain continued to contribute positively to the Gauteng economy. SED deliverables directly demonstrate the benefits of the Gautrain in terms of shareholding by black persons and black women, procurement, sub-contracting, and employment equity elements.

The Agency achieved Integrated Management System (IMS) certification for ISO 90001:2015, ISO 45001:2018, and ISO 14001:2015. This achievement demonstrates a commitment to continuous improvement and operational standards. The certifications aim to enhance Occupational Health and Safety (OHS) performance, reduce SHEQ risks, eliminate hazards, prevent work-related injuries and illnesses, and ensure a safe environment for all stakeholders.

The GMA continued to embed an EWRM System within the Agency. This has contributed to continuous improvement in the maturity of the risk management system, with a clear allocation of responsibilities across the GMA Board, Board committees, Management and employees. The risk maturity of the Agency has improved from 90% to 91%.

KM activities continued to position the GMA as a thought leader within the transport sector. KM within the GMA has reached a level of maturity, demonstrated by the seamless flow and integration of knowledge throughout the organisation and externally. This is supported by a diverse portfolio of assets including lessons learned, case studies, knowledge sharing initiatives, and incentives.

ICT continued to play a crucial role in GMA's operations by driving digital transformation, optimising workflows, and supporting sustainability goals. These initiatives continued to support the GMA to function in a seamless, secure and reliable manner, while allowing for organisational knowledge to be preserved and shared.

6.4.2 Impact overview

In terms of the GMA's set impact statement, "To contribute to economic growth and transformation as well as job creation, spatial integration and improved mobility to and from human settlements in the Gauteng Province", notable progress was made. This progress is evident in the reporting of the SED performance as well as the performance of the integration of the Gautrain System with other public transport services.

6.4.3 Areas of recognition and certification

The GMA is consistently recognised and benchmarked by industry authorities. During the year under review, various local and international industry authorities recognised the following achievements.





PERFORMANCE INFORMATION



1 OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Outputs	No.	Output indicators	Audited 2020/21	Audited 2021/22	
Outcome 1: To ensure a reliable, efficient, affordable and sustainable rail service through maintaining a high level of service excellence in all performance related matters					
Increase the ridership of the Gautrain System so as to minimise the Patronage Guarantee	1	Average number of quarterly rail passengers (annualised)	2,653,160	4,366,451	
	2	Number of activities undertaken in accordance with the Marketing Plan	20	20	
	3	Average number of quarterly bus passengers (annualised)	861,706	1,332,671	
	4	Identify and implement possible capacity system improvements and interventions on the existing Gautrain network	4	4	
Ensure the efficient provision of capacity by the Concessionaire to match demand on the System	5	Number of monitoring events by the GMA of the Concessionaire on all capacity increase obligations set by the CA or by Variation Notice	6	6	
Outcome 2: To assure that the obligations of the concessionaire are met and that the concession agreement is managed for the optimal benefit of Gauteng Province, its residents, users and visitors					
Ensure the consistent and accurate application of the penalty regime against the Patronage Guarantee in accordance with the Concession Agreement so as to maintain a System and Services that meet the specification and is attractive to passengers	6	Number of reviews of Penalty Verifications performed	11	11	
	7	Monthly review of Revenue and Patronage Reports for compliance with the CA	11	11	
	8	Number of Customer Satisfaction Surveys reviewed	2	2	
	9	Resolution of disputes in line with the provisions of the Concession Agreement	4	4	
To monitor, evaluate and assess the relevant legislative compliance of the Concessionaire and the GMA for purposes of achieving appropriate compliance with the applicable prescripts	10	Number of reviews on compliance conducted on Safety, Health or Environmental Performance and Legislative compliance dependent on risk areas	1	1	

	Audited 2022/23	Audited 2023/24	Planned annual target 2024/25	Actual performance 2024/25	Deviations from planned targets to actual achievements 2024/25	Reasons for deviation	Report frequency
	7,132,622	7,902,488	8,182,572	7,860,068	-322,504	Not achieved – underachieved for the year by 3.9%. Shift in work patterns and ongoing economic downturn have continued to affect ridership growth since the COVID-19 pandemic.	Quarterly
	20	20	20	20	-	Achieved	Quarterly
	2,326,389	2,581,465	2,598,925	2,381,914	-217,011	Not achieved – underachieved for the year by 8.4%. Shift in work patterns and ongoing economic downturn have continued to affect ridership growth since the COVID-19 pandemic.	Quarterly
	4	4	4	4	-	Achieved	Quarterly
	6	6	6	6	-	Achieved	Quarterly
	11	11	11	11	-	Achieved	Quarterly
	11	11	11	11	-	Achieved	Quarterly
	2	2	2	2	-	Achieved	Bi-annual
	4	4	4	4	-	Achieved	Quarterly
	1	1	1	1	-	Achieved	Annual

Outputs	No.	Output indicators	Audited 2020/21	Audited 2021/22	
Outcome 3: To ensure sound financial management of all GMA revenue sources and safeguards the assets of the Project To ensure that the concessionaire meets its obligations regarding the maintenance of the system to the benefit of the project and the Gauteng Province					
To ensure the improved quality of overall financial management via efficient implementation of approved financial policies	11	Nature of audit opinion for the 2024/25 financial year	Un-qualified audit report	Un-qualified audit report	
To completely and accurately account for assets of the GMA, and to ensure adequate safeguarding, verification and accountability over these assets	12	Quarterly Report detailing the management of the GMA Assets in compliance with GMA Asset Management policies and procedures	4	4	
To assure that the Concessionaire meets its obligations regarding the maintenance of the assets	13	Monthly oversight of Concessionaire asset maintenance regime	12	12	
	14	Number of station and system assets condition inspection reports	4 System and 40 Stations Condition/ Cleanliness inspections	4 System and 40 Stations Condition/ Cleanliness inspections	
Outcome 4: To enhance the management of the concession agreement through entrenching an environment of strong Corporate Governance and Legal Compliance					
Evaluate the effectiveness of corporate governance in the GMA to achieve good governance	15	Evaluation of the effectiveness of the Board and Board committees	100% implementation of the Action Plan emanating from the Performance evaluation of the Board and Board committees	Performance Evaluation Report of the Board and Board committees	
	16	Delegation of Authority (DoA) reviewed and approved by the Board	Approval of the Revised DoA by the Board	Approval of the Revised DoA by the Board	
To create an environment that attracts and retains talent through a progressive Employee Value Proposition (EVP) that positions the GMA to be a preferred employer of choice	17	Maintain the Top Employer certification of the GMA	89% of approved and budgeted vacant posts filled	91.3% of approved and budgeted vacant posts filled	
Provide assurance on compliance with internal controls in all divisions to achieve good governance	18	Quarterly Key Control Dashboard which highlights the state of control in the area of Leadership, Financial and Performance Management, and Governance in compliance with PFMA	4	4	
	19	Quarterly Consolidated Internal Reports issued to the ARC highlighting the progress against the approved Internal Audit Plan	4	4	
Provide a secure and reliable information technology environment that facilitates knowledge sharing	20	ICT project dashboard indicating percentage of projects deployed	4	81% of ICT initiatives implemented	
Provide for the effective identification and mitigation of risks across all functions to assist in achieving the outputs (strategic objectives) of the organisation	21	Quarterly Reporting on Development and Implementation of Risk Management Process for Strategic and Emerging Risks	4	4	
Provide assurance on compliance with applicable legislation within the GMA in order to obviate non-compliance	22	Quarterly Compliance Status Dashboard, highlighting the extent of compliance, with applicable legislation	Not applicable	4	

	Audited 2022/23	Audited 2023/24	Planned annual target 2024/25	Actual performance 2024/25	Deviations from planned targets to actual achievements 2024/25	Reasons for deviation	Report frequency
	Un-qualified audit report	Un-qualified audit report	Un-qualified audit report	Un-qualified audit report	-	Achieved	Annually
	4	4	4	4	-	Achieved	Quarterly
	12	12	12	12	-	Achieved	Monthly
	4 System and 40 Stations Condition/ Cleanliness inspections	4 System and 40 Stations Condition/ Cleanliness inspections	4 System and 40 Stations Condition/ Cleanliness inspections	4 System and 40 Stations Condition/ Cleanliness inspections	-	Achieved	Quarterly
	50% implementation of the Action Plan emanating from the Performance evaluation of Board and Board committees	100% implementation of the Action Plan emanating from the Performance evaluation of the Board and Board committees	Performance evaluation of the Board and Board committees	Performance evaluation of the Board and Board committees	-	Achieved	Annually
	Approval of the Revised DoA by the Board	Approval of the Revised DoA by the Board	Approval of the Revised DoA by Board	Approval of the Revised DoA by the Board	-	Achieved	Annually
	92% of approved and budgeted vacant posts filled	2	1	1	-	Achieved	Quarterly
	4	4	4	4	-	Achieved	Quarterly
	4	4	4	3	-	Achieved	Quarterly
	87% of ICT initiatives implemented	86% of ICT initiatives implemented	85% of ICT initiatives implemented	87% of ICT initiatives implemented	2% of ICT initiatives implemented	Achieved – overachieved by 2% – attributed to refinements in project execution such as better resource allocation on projects and effective collaboration across functional teams and with business stakeholders	Quarterly
	4	4	4	4	-	Achieved	Quarterly
	4	4	4	4	-	Achieved	Quarterly

Outputs	No.	Output indicators	Audited 2020/21	Audited 2021/22	
Outcome 5: To promote a robust, co-operative and productive environment with all relevant structures of government and stakeholders					
Develop and implement a reputation management strategy with stakeholders to increase Gautrain and GMA brand values	23	Number of activities undertaken in accordance with the Communication Plan	16	16	
Outcome 6: To contribute to the economic growth and development of Gauteng through deliberate economic interventions and targeted job creation and support of BEEs and SMMEs in the Province					
To monitor and verify the Concessionaire socio-economic development obligations to ensure compliance with the Concession Agreement as well as to maximise economic impact in the Gauteng Province	24	Number of Independent Socio-Economic Monitor (ISEM) reports with verified performance on obligations and variations	12	12	
To oversee the GMA's Social Investment Programmes (SIP) that transform people, spaces and the economy through sustainable partnerships	25	Quarterly Progress reports on SIP activities	4	4	
Outcome 7: To ensure that Gautrain is a catalyst and contributor to the total public transport solution in Gauteng through the development and implementation of integration strategies					
Support integration-related engagements, particularly with the Province and the three metropolitan municipalities to enhance transport integration within the Province	26	GMA involvement through meetings and projects	4 Quarterly Reports on progress regarding joint development	4 Quarterly Reports on progress regarding joint development	
Provide effective facilitation of integration of Gautrain trains and buses with other modes of transport at Gautrain stations to enhance transport integration within the Province	27	Number of initiatives implemented by GMA that support integration of modes	3	3	
Fulfil a planning function with regard to the Gauteng Rapid Rail extensions to enable the implementation of the GRRIN Extensions Project	28	Conduct Route Determination for the proposed Gauteng Rapid Rail Extensions	4	4	
Outcome 8: To ensure sound project and financial planning to the optimal benefit of the GMA and Gauteng Province					
Implement a partnership plan that involves stakeholders to contribute towards the GMA's financial sustainability	29	Interaction with partners: New partnerships or the renewal of existing partnerships	16 signed MOUs	16 signed MOUs	

	Audited 2022/23	Audited 2023/24	Planned annual target 2024/25	Actual performance 2024/25	Deviations from planned targets to actual achievements 2024/25	Reasons for deviation	Report frequency
	16	16	16	16	-	Achieved	Quarterly
	12	12	12	12	-	Achieved	Monthly
	4	4	4	4	-	Achieved	Quarterly
	4 Quarterly Reports on progress regarding joint development	4 Quarterly Reports on progress regarding joint development	4 Quarterly Reports on progress regarding joint development	4 Quarterly Reports on progress regarding joint development	-	Achieved	Quarterly
	3	3	3	3	-	Achieved	Quarterly
	4	4	4	4	-	Achieved	Quarterly
	16 signed MOUs	16 signed MOUs	16 signed MOUs	16 signed MOUs	-	Achieved	Monthly

2 LINKING PERFORMANCE WITH BUDGET

The GMA has achieved 93% of the outcome indicators in the 2024/25 financial year. This achievement has been made with a 1.45% underspend versus the budget for the 2024/25 financial year.

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	Number of employees	Average personnel cost per employee (R'000)
Project expenditure	2,709,294	-	-	-	-
GMA expenditure	508,923	273,852	54%	205	1,333
Total	3,218,217	273,852	8.5%	205	1,333

3 CAPITAL INVESTMENT

The Gautrain assets are managed with exceptional efficiency through a robust asset lifecycle and maintenance philosophy. The System has consistently surpassed performance targets for availability and punctuality since commencing operations, supported by adherence to the Asset Management and Maintenance Plan (AMMP) as stipulated in the CA. Recent achievements include:

- ▣ Refurbishments of rolling stock;
- ▣ Parking structures;
- ▣ CCTV systems; and
- ▣ Replacement of LAN networks and video walls.

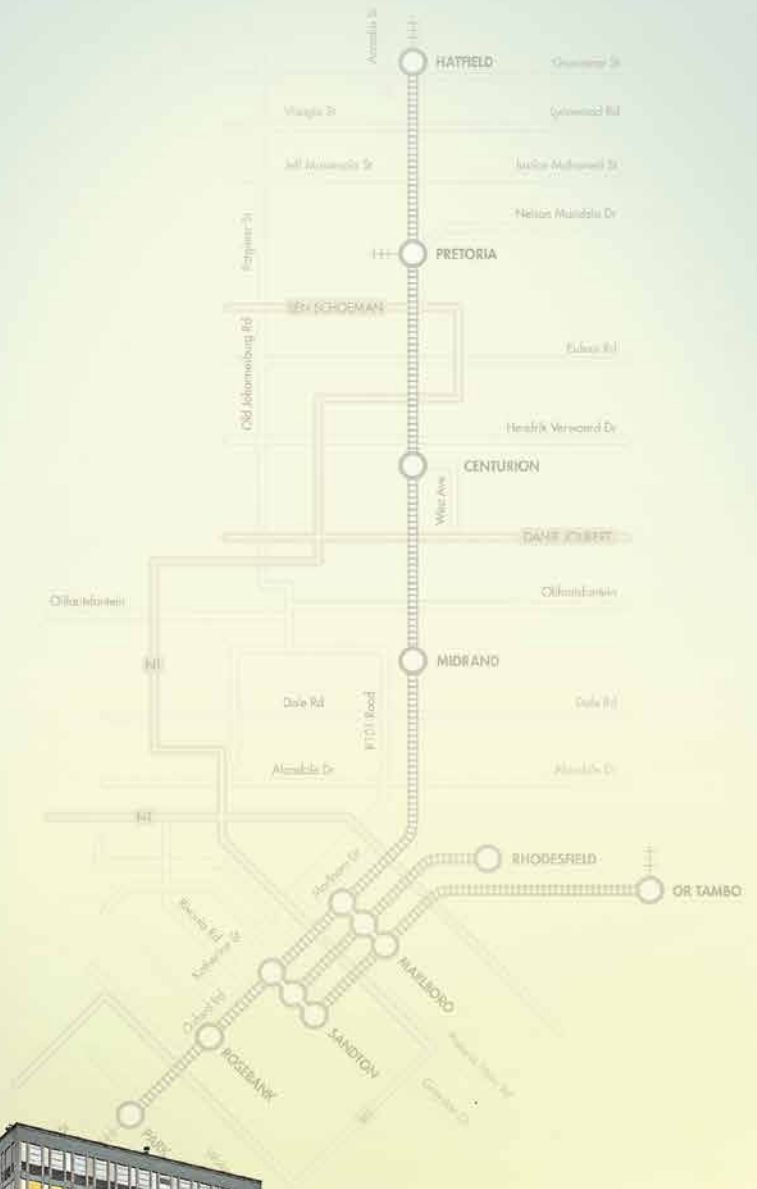
Major projects such as upgrading tunnel communication systems, replacing obsolete equipment, and improving security systems are ongoing or scheduled for completion within the next financial year.

Additionally, initiatives to enhance infrastructure, such as driver's restroom upgrades, ergonomic benches at stations, and feasibility studies for backup power and water supply are in progress to improve operational efficiency.





PERFORMANCE REVIEW



1 GMA PERFORMANCE

1.1 MANAGING SAFETY, HEALTH, ENVIRONMENT AND QUALITY

The GMA fosters a culture of safety through targeted awareness campaigns, consistent and credible leadership, guidance, monitoring, and reporting, ensuring safe rail operations by preventing injuries and occupational illnesses. In the year under review the GMA continued to monitor the Concessionaire's performance on health and safety.

1.1.1 Health and safety

In the year under review two major incidents that resulted in two fatalities on the Passenger rail line were reported and recorded. Additionally, two reportable incidents were recorded, with no injuries or major structural damage. Table 12 illustrates the safety hazards/incidents.

Table 12: Safety hazards/incidents

Operational dashboard	Financial year 2024/25
Signal is Passed at Danger (SPADS)	32
Collisions	2
Mainline derailments	2
Platform overrun	7
Total passenger incidents	303

1.1.2 Environmental compliance

During the year under review, the Agency recorded a 98% compliance with environmental legislation and the Environmental Management Plan (EMP). Improvement is required in areas such as waste management, minor spillages, and depot/workshop management.

Compliance with the audit criteria as set out in the various commitments contained in the audited Water Use License (WUL) was 98.02%. During the reporting period two fire incidents occurred, however, these did not result in significant environmental emergencies. Table 13 illustrates the significant environmental emergency events.

Table 13: Significant environmental emergency events

Operational dashboard	Financial year 2024/25
Environmental incidents	99
Environmental complaints	1
Fire incidents	2
Carbon emissions (annual average)	4,898.3
Environmental compliance notices	0

1.1.3 Quality management

During the year under review the GMA achieved IMS certification for ISO 90001:2015, ISO 45001:2018, and ISO 14001:2015. This milestone reflects the Agency's commitment to continuous improvement in operational excellence. This certification will enable the GMA to enhance OHS performance, minimise SHEQ risks, eliminate hazards, prevent work-related injuries and illnesses, and ensure a safe and secure environment for all stakeholders.

1.1.4 Future focus

The GMA is advancing its Sustainability Plan, improving its ISO IMS, and initiating carbon emissions reporting for the Gautrain System. These efforts highlight the Agency's dedication to environmental sustainability and responsibility.

1.2 CREATING VALUE THROUGH KNOWLEDGE MANAGEMENT

The GMA acknowledges that excellence in an organisation depends on the calibre of its people and the quality of knowledge produced. Moreover, effectively using, embedding, and managing knowledge is crucial for sustaining performance, and business efficiency.

Knowledge capture, knowledge sharing, knowledge embedment, thought leadership, research, and innovation form the five pillars that support the GMA Knowledge Management (KM) programme. Over nearly a decade, KM in the GMA has advanced.

Highlights of the work carried out in this financial year of 2024/25 in line with the approved KM strategy are as follows:

1.2.1 PPP strategic support

Since the adoption of the Holistic Records Management Programme, aimed at transitioning GMA from paper to digital, the focus has been on eliminating paper documentation for CA management. Initiatives such as Risk Wednesdays have assisted staff in learning effective corporate records management.

1.2.2 Knowledge Management Centre of Excellence

External Research Requests – As part of the KM Strategy, support is provided to external research requests from students seeking information for their Honours, Master's, and PhD studies. Since 2017, the GMA has facilitated 37 research studies, including four during the year under review. Additionally, five Knowledge Share sessions were successfully delivered during this period.

Podcasts – There has been a significant increase in the availability and use of knowledge content and products, such as Gautrain Talks Podcasts, by publishing them internally and externally on social media platforms and partnering with Buzzsprout Distribution Channels for broader reach.

GMA e-Lounge Book Club – Facilitated by GMA staff, this book club convenes monthly. The annual target for the e-Lounge was to conduct six sessions of book reviews, aligned with the organisation's strategic direction through partnerships with publishers such as Pan Macmillan, Tracey McDonald, Jacana Media, Jonathan Ball, and more recently self-published authors. For this financial year, a total of seven e-lounge sessions were delivered.

Thought Leadership – To position the GMA as a thought leader and enhance leadership capacity, six e-Lounge book club sessions were delivered this financial year. In addition, Knowledge Partnerships for Thought Leadership and Executive Leadership Development Programme (ELDP) were entered into with Wits Business School and GIBS, providing strategy facilitation, knowledge sharing, and innovation lab support.

Ivey Publishing has approved the publication of eight Gautrain academic teaching case studies as part of the Memorandum of Understanding (MOU) between the GMA and Bentley University. These case studies will be distributed by over 15 distributors, including Harvard Business Publishing and The Case Centre. Additionally, Ivey Publishing will feature the cases in their monthly case alerts, newsletters, social media posts, blog entries, and interviews.

1.2.3 Technical knowledge advisory

The GMA KM team participated in a panel discussion at the Knowledge Management Global Week on 15 October 2024, organised by the Department of Cooperative Governance. The event was attended by numerous knowledge management enthusiasts from various countries. The objectives were to discuss the role of knowledge management in promoting sustainable development and addressing global challenges.

The team shared insights about their knowledge management strategy and policy implementation journey with over 100 participants from various departments and entities, as invited by the Gauteng Office of the Premier: Policy Research and Advisory Services.

Furthermore, the team provided advisory services to the Road Traffic Infringement Agency (RTIA), City of Tshwane, and the Department of Public Service and Administration (DPSA).

1.2.4 Strategic partnerships

2024 Women Leading Knowledge – The GMA held its second Women Leading Knowledge breakfast in partnership with Wits Business School and GIBS on 27 August 2024, closing off women's month, under the theme *Transgenerational Knowledge Sharing*. The event focused on discussing key topics such as ageism, the gender data gap, and the 'pink tax' on mobility.

Gautrain-TEDx University of Johannesburg – A partnership in collaborative knowledge production has been ongoing between #TedxUniversityofJohannesburg and GMA to position the GMA as a thought leader in the transport sector on both local and global stages. This partnership is enhancing the GMA's potential as a learning organisation. It ensures that GMA's knowledge is rooted in the values of Caring, Excellence, Learning, and Leadership. The knowledge generated will help to elevate the Gautrain brand to remain top of mind for commuters and potential investors both locally and globally. The theme was *INTERCONNECTEDNESS: Threads of Inspiration, Ideas, and Impact*.

The theme of interconnectedness is an appropriate topic for a TED Talk given the complexities and challenges of contemporary society. As global connections increase, comprehending and embracing these links is essential for addressing significant issues and promoting a sustainable, inclusive future.

Johannesburg Festival for Women Writers – The GMA, in partnership with the Johannesburg Business School and Johannesburg Institute for Advanced Study, hosted the Johannesburg Festival for Women Writers on 9 to 10 March 2025. The festival is a South African annual event that provides a platform for discussion with participation from renowned local and international authors and thought leaders. This year's theme, *Mothers and Daughters*, featured informal discussions and debates on various issues. The GMA sees this festival as an appropriate platform that aligns well with the objectives of the e-Lounge book club.

1.2.5 Future focus

The knowledge management initiatives aim to support GMA's strategy for overseeing the Gautrain Rapid Rail Link Project. This includes efficient management of the CA through records management and document control. The KM Centre of Excellence, through initiatives such as the Public Transport Knowledge Seminar (PTKS), aims to discuss and share innovative methods for enhancing public transportation, elevating the Gautrain brand in the public transport integration space, and supporting the GMA as a learning organisation through various platforms including case studies, fact sheets, knowledge shares, and the e-Lounge. The focus for the upcoming financial year will be on building capacity in intellectual property assets development and governance.

1.3 SOCIO-ECONOMIC DEVELOPMENT REGIME

Socio-Economic Development (SED) is an important aspect of the Gautrain Project. Since the concession began, an Independent Socio-Economic Monitor (ISEM) has been appointed to verify the SED achievements attained by the Concessionaire. The SED achievements listed are based on verified data reported quarterly by the ISEM.

1.3.1 SED performance for the 2024/25 financial year

The ISEM has completed its verification for the period April 2024 to March 2025 and Table 14 summarises these achievements.

Table 14: Summary of the SED achievements for April 2024–March 2025

SED element (no. and description)	Unit	Obligation	Verified achievement	% Achievement
BLACK EQUITY PARTICIPATION				
SED01: Shares held by BEs/Black Persons in BCC	%	25.00%	78.91%	361%
SED01: Shares held by BEs/Black Persons in BOC	%	25.10%	36.58%	146%
SED02: Shares held by Black Women in BCC	%	3.75%	14.06%	375%
SED02: Shares held by Black Women in BOC	%	3.75%	12.67%	338%
PROCUREMENT AND SUB-CONTRACTING				
SED03: Procurement from BEs/Black Persons	R'000	101,336,913	243,272,280	240%
SED04: Sub-contracting to BE	R'000	279,757,194	1,096,071,712	392%
SED05: Procurement and sub-contracting to New BE	R'000	431,484,980	1,020,479,615	237%
SED06: Procurement and sub-contracting expenditure to SMMEs	R'000	59,311,200	151,796,339	269%
LOCAL CONTENT				
SED08: Employment of Local People	per months	15,910	19,274	121%
SED09: Procurement of South African Materials	R'000	276,726,847	1,223,641,630	442%
SED10: Procurement of South African Plant and Equipment	R'000	0.00	0.00	100%
PARTICIPATION IN SPG				
SED11: HDI staff seconded by SPG	per months	0.00	0.00	100%
SED12: Expenditure by SPG on Plant and Equipment	R'000	0.00	0.00	100%
SED13: Procurement from, or Sub-contracting to SPG	R'000	0.00	0.00	100%
PARTICIPATION IN MANAGEMENT				
EEP01: HDIs in Management Positions	per months	348	607	161%
EEP02: Women in Management Positions	per months	180	307	170%
EEP07: HDIs in Occupational Level C	per months	612	2,627	429%

SED element (no. and description)	Unit	Obligation	Verified achievement	% Achievement
DIRECT EMPLOYMENT				
EEP03: HDIs employed	per months	11,526	18,553	161%
EEP04: Women employed	per months	4,116	5,852	142%
EEP05: People with Disabilities employed	per months	240	288	120%
TRAINING				
EEP06: Expenditure on Human Resource Development	R'000	6,108,922	12,789,245	209%
EEP08a: Women participating in the Learnership and Mentorship Programme	per months	0.00	0.00	100%
EEP08b: Employment and Mentorship of Women Learners	per months	0.00	0.00	100%

1.3.2 SED performance since the commencement of the operating period until March 2025

Based on ISEM verification concluded to date, the Concessionaire has cumulatively achieved on all its obligations since the commencement of the operating period until the end of March 2025. Table 15 summarises the achievements:

Table 15: Achievements from operating period until end of March 2025

SED element (no. and description)	Unit	Obligation	Verified achievement	% Achievement
BLACK EQUITY PARTICIPATION				
SED01: Shares held by BEs/Black Persons in BCC	%	25.00%	54.04%	216%
SED01: Shares held by BEs/Black Persons in BOC	%	25.10%	31.02%	124%
SED02: Shares held by Black Women in BCC	%	3.75%	14.78%	394%
SED02: Shares held by Black Women in BOC	%	3.75%	8.01%	214%
PROCUREMENT AND SUB-CONTRACTING				
SED03: Procurement from BEs/Black Persons	R'000	804,931,80	1,718,729,822	214%
SED04: Sub-contracting to BE	R'000	2,690,459,433	7,611,328,184	283%
SED05: Procurement and sub-contracting to New BE	R'000	3,008,655,495	6,951,914,370	231%
SED06: Procurement and sub-contracting expenditure to SMMEs	R'000	524,260,505	956,812,362	183%
LOCAL CONTENT				
SED08: Employment of Local People	per months	198,335	246,831	124%
SED09: Procurement of South African Materials	R'000	1,594,861,415	8,573,083,214	538%
SED10: Procurement of South African Plant and Equipment	R'000	299,468,470	360,928	121%
PARTICIPATION IN SPG				
SED11: HDI staff seconded by SPG	per months	0.00	0.00	100%
SED12: Expenditure by SPG on Plant and Equipment	R'000	0.00	0.00	100%
SED13: Procurement from, or Sub-contracting to SPG	R'000	0.00	0.00	100%
PARTICIPATION IN MANAGEMENT				
EEP01: HDIs in Management Positions	per months	4,242	8,180	193%
EEP02: Women in Management Positions	per months	2,053	4,493	224%
EEP07: HDIs in Occupational Level C	per months	7,361	38,299	520%
DIRECT EMPLOYMENT				
EEP03: HDIs employed	per months	142,142	231,556	163%
EEP04: Women employed	per months	51,194	51,194	143%
EEP05: People with Disabilities employed	per months	2,994	3,433	115%
TRAINING				
EEP06: Expenditure on Human Resource Development	R'000	54,127,053	79,702,726	147%
EEP08a: Women participating in the Learnership and Mentorship Programme	per months	0.00	0.00	100%
EEP08b: Employment and Mentorship of Women Learners	per months	0.00	0.00	100%

The preceding tables confirm that the Concessionaire has complied with its obligations in all of the SED elements. In terms of the penalty and reward regime, there were no penalties awarded to the Concessionaire for the year under review.

By continually achieving and exceeding performance in most elements, the Concessionaire continues to grow the brand's value and is in full compliance with procurement, sub-contracting and employment elements.

1.4 INFORMATION AND COMMUNICATION TECHNOLOGY

ICT is vital to GMA's operations providing digital tools for flexibility, optimised workflows for collaboration, and ensuring business continuity. It leads digital transformation initiatives to advance the organisation's risk maturity and supports GMA's sustainability goals.

Effective governance and risk management are crucial for fair and transparent service delivery. Regular risk assessments under the Enterprise Risk Framework identify potential ICT risks and opportunities within the GMA.

During the year under review, 87% of the ICT related annual targets were met. Key achievements included:

- ▣ **Development:** The development and deployment of applications that improved GMA's business processes and user experience.
- ▣ **Operations:** The availability, reliability, and security of GMA's ICT infrastructure and services relied on testing continuity and disaster recovery for critical systems.
- ▣ **Data and Enterprise Architecture/Innovation:** A cloud services market analysis was conducted to develop a data platform Proof of Concept. This allowed for the selection of the most suitable provider based on technical, financial, and operational criteria, and established a roadmap for scaling the platform to meet evolving business needs.
- ▣ **Cybersecurity:** Several cybersecurity measures were implemented, including cybersecurity awareness training and a comprehensive security assessment to identify vulnerabilities and threats, ensuring protection for both the network and data.

1.5 COMMUNICATION AND MARKETING

The Communication and Marketing Strategy Unit aims to increase and maintain ridership by managing Gautrain's reputation and implementing growth and retention marketing campaigns. It supports the GMA's objectives by enhancing connections through strategic marketing and targeted communication.

1.5.1 Marketing

The focus for the financial year was to maintain and grow ridership through marketing initiatives targeting students, midibus feeder service users, airport line passengers, and special event attendees.

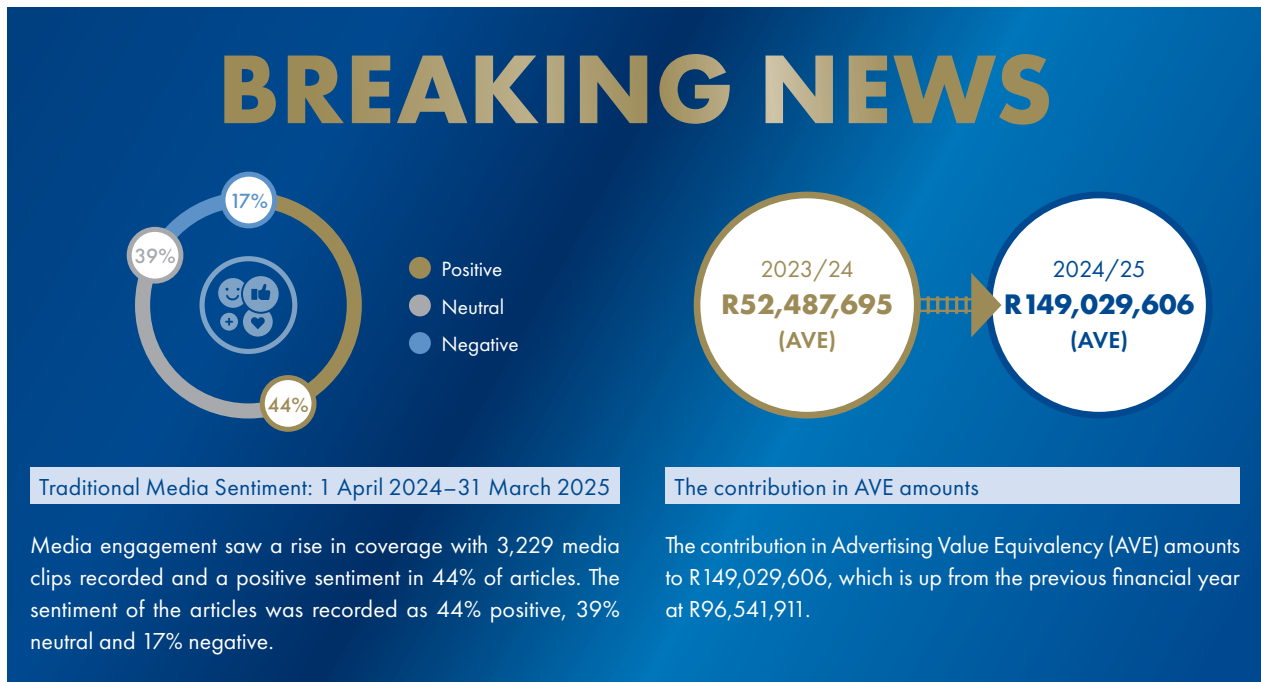
Key achievements included:

- ▣ A 46% increase in student product sales, with usage contributing 3.1% to General Passenger Service (GPS) revenue up from 2.3% in the 2023/24 financial year.
- ▣ The Gautrain Scholar Excursion programme increased by 23% from the previous year.
- ▣ Marketing efforts for the midibus service and the newly launched Samrand route assisted increasing ridership which saw an overall increase of 7.9%.
- ▣ Event partnerships significantly increased ridership during festivals and concerts.



1.5.2 Media management

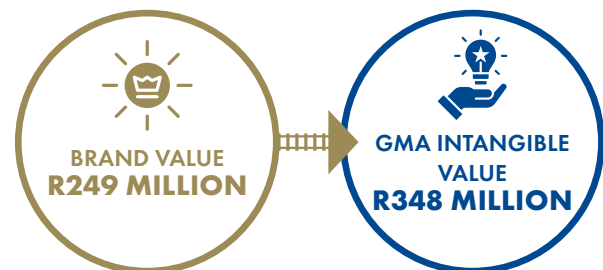
Solicited and unsolicited media interviews were conducted by the GMA leadership for print, broadcast and online media to continue informing the public about the Gautrain's current and future projects and plans.



1.5.3 Brand management

The Gautrain Brand Valuation Report which was finalised in November 2024 showed that the brand's value rose to R249 million, with GMA's intangible value at R348 million. The report assesses brand equity, including reputation and customer loyalty.

The GMA initiated an educational and advocacy campaign to emphasise the significance of its employees as brand ambassadors. The #IamBrandGautrain themed event included several key activities including a presentation of the findings from the Brand Valuation Report, a discussion on Gautrain's identity, an explanation of Gautrain's repositioning as accessible and inclusive public transport, and strategies for staff to maintain and enhance the brand's reputation.



Multiple initiatives were implemented to promote the Gautrain brand and advocate its adoption as a public transport option. One notable initiative was the Public Transport Friday campaign, executed in partnership with the City of Johannesburg and the City of Tshwane.

1.5.4 Strategic partnerships

The GMA positions the Gautrain brand as accountable, responsible and caring through partnership agreements with non-profit organisations and public entities. During the year under review, 17 partnerships were signed. The aim was to establish partnerships that supported the implementation of GMA projects, as well as to increase and maintain Gautrain ridership and brand equity. This year's strategic partnerships included:

- A three-year partnership with **Stillwater Sports** to position Gautrain as the transport service for the Johannesburg and Pretoria **ABSA Run Your City Series** races.
- A partnership with **AVIS** to offer passengers reduced vehicle hire costs when using the Gautrain to get to one of the AVIS centres located near the Sandton, Midrand, or Centurion Stations.
- Ongoing partnerships with **Discovery Insure**, the **Gauteng Tourism Authority**, and **Varsity Vibe** to continue providing value-add to Gautrain passengers.

1.5.5 Stakeholder management

During the financial year, various stakeholder engagements were undertaken for the Post-2026 Project, the GRRIN Project, and other projects. The GMA facilitated knowledge sharing through presentations and site visits to the System. The GMA and the Gautrain Project was profiled at various conferences where knowledge was shared on the work that the Agency does.

Employee engagement continued throughout the year through platforms such as the newsletter, employee townhalls, and management sessions on strategic projects.

Customer satisfaction was evaluated through monthly surveys with net promotor scores, averaging 96%, which is well above the benchmark of 86%.

1.6 COMPLIANCE AND LEGAL SERVICES

The GMA Act, read in conjunction with the PFMA, requires the GMA to, among others, monitor the policy and legislative environment of the Project and carry out its functions in terms of the GMA Act and any other applicable laws.

In line with the GMA Act, the Agency oversees and monitors the Concessionaire's compliance with the CA. Penalties are applied if the Concessionaire fails to meet its obligations. Operational Period Disputes were settled through an agreement that introduced a quick and cost-effective adjudication process for Project Events disputes. This bespoke adjudication process continues to improve efficiency and cost-effectiveness in resolving such disputes.

In respect of the Province's Construction All Risks claim, the Province recovered a significant portion of its legal costs from Zurich for both High Court and Supreme Court of Appeal proceedings. Both courts ruled in favour of the Province on the merits of the claim. After issuing summons, the Province settled the remaining quantum of the claim through commercial settlement negotiations, agreeing to settle out of court.

The GMA monitors policy and the legislative environment within which it operates by subscribing to relevant Parliamentary Committees of the Parliamentary Monitoring Group and professional associations like the Compliance Institute of Southern Africa. To ensure compliance with applicable laws, the GMA conducted awareness initiatives, tracked progress on compliance measures, and engaged regulatory authorities to influence pending legislation. A strong organisational compliance culture is fostered through collaboration and co-ordination.

In preparation for the procurement of the new Concessionaire, the current CA was reviewed and unpacked, which culminated in the proposed post-2026 CA being finalised and included in the pack that forms part of the RFP documents that have been issued. In addition, the legal requirements for the COCA were outlined, with particular emphasis on the transfer of the employees of the current Concessionaire to the Successor Concessionaire, in line with Section 197 of the Labour Relations Act and Clause 54 of the current CA.

1.7 SUPPORTING COMMUNITIES THROUGH THE SOCIAL INVESTMENT PROGRAMME

The GMA's Social Investment Programme (SIP) promotes social cohesion and nation-building by supporting vulnerable communities in Gauteng. This helps meet GMA's social objectives and aligns with national goals to eradicate poverty and reduce inequality.

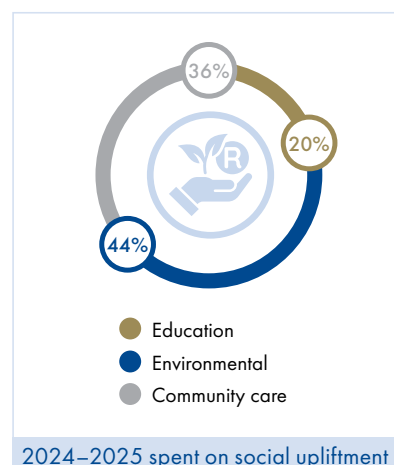
1.7.1 Marlboro Precinct Project

During the financial year, a Marlboro Precinct Project Social Economic study was conducted to understand the needs of the Alexander community. The analysis identified areas close to the Marlboro Station that require support. An independent service provider has been selected by the GMA to work with NGOs to develop the Marlboro precinct. The project implementation will commence in the new financial year.

SIP initiatives

Several SIPs were implemented including:

- GMA, in collaboration with Wiits City Studio, organised an exhibition at Marlboro Station to showcase spatial development projects in Alexander and gather community input.
- For September Arbor Month, GMA donated and planted 20 fruit trees at Emfundisweni Primary School in Alexandra and Tlamatlama Primary School in Tembisa to help combat hunger.
- On World Food Day, the GMA donated greenhouse tunnels, an irrigation system, and a water pump station to Ditshego House of Laughter to support vegetable and fruit growth for their children and surrounding communities.
- Through the GRRIN Project, GMA initiated a job shadowing programme that allowed two students from Africa Tikkun to acquire practical experience with HATCH during December 2024 to January 2025.
- During the Festive Season, Gautrain encouraged donations of non-perishable food items for Rays of Hope and Tswelopele, providing enough food for up to six months for orphans.



Employee Corporate Social Investment Programme (ECSIP)

The ECSIP noted the commitment of GMA employees in dedicating their time and professional expertise to support the communities and partners associated with the Agency. The following activities were undertaken during the year under review:

- On Mandela Day, GMA employees contributed to the Garden to Kindergarten (G2K) programme by installing greenhouse tunnels, an irrigation system, a water pump station, and planting vegetables at Afrika Tikkun's Early Childhood Development Centre in Diepsloot.
- In September 2024 GMA's SIP, in collaboration with Mr Price Waterfall, successfully organised a shopping event for 150 children from GMA's SIP partners: Afrika Tikkun, Tomorrow Trust, and Rays of Hope. The children travelled via the Gautrain to the Midrand Station, followed by bus transportation to the Mall of Africa where they received vouchers to purchase clothing. After a day of enjoyable activities, the children returned home with new clothing and additional grocery hampers.
- In November 2024 GMA arranged a Career Conversations on the Move day for Grade 11 learners from Tomorrow Trust. This event provided the learners with the opportunity to explore various careers and gain valuable insights.
- Additionally, a group of children from Phoenix Alexandra experienced a Gautrain trip and learned about universal access, designed to accommodate all individuals including those with disabilities. They also enjoyed a fun day at the Pretoria Zoo.

1.7.2 SIP budget

The SIP funds are allocated to projects that align with the GMA's objectives and priorities and contribute to the United Nations Sustainable Development Goals. These funds are invested across various markets to generate interest. The closing balance of R21,367,695 will be directed towards SIP projects planned for the upcoming financial year.

1.8 COMMUNITY PARTNERSHIPS

The GMA's midibus partnership model integrates the minibus taxi industry with the Gautrain System by providing mobility services with midibuses. The MFDS offer a first-and-last-mile solution, enhancing the Gautrain service. This partnership focuses on formalising minibus taxi operators into sustainable businesses, offering scheduled, safe, and reliable public transport, and creating jobs. MFDS ensures accessible and efficient transport in areas unsuitable for other modes.

In the year under review the GMA engaged with public transport stakeholders to implement the MFDS partnership model and strengthen relations. The aim was to increase routes based on passenger demand and expand existing ones.

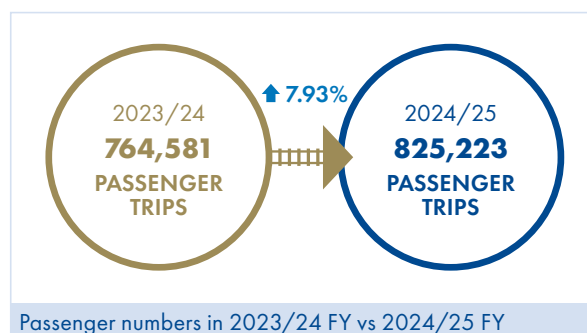
Over 825,000 passengers were transported in 2024/25, an increase of 60,428 from the previous year. The SLA for two new minibus taxi associations were signed, and route operations will be implemented in the new financial year.

The GMA implemented strategies to improve midibus operations, adjusting the Greenstone route, and introducing an express service from Marlboro Station to the Midrand Depot, including launching a new Centurion to Samrand route, all of which were aimed at enhancing passenger experience, utilisation, and connecting more areas to Gautrain stations.

The midibus partnership between the GMA and the taxi industry created jobs for the youth and women, which fostered trust with the communities around the Gautrain System.

1.8.1 Future focus areas

The GMA plans to expand MFDS operations close to the Gautrain System by introducing new midibus routes, engaging public transport stakeholders, and incorporating electronic ticketing for convenience. Marketing efforts are also set to be enhanced.



1.9 COMMERCIAL IMPACT THROUGH VALUE CREATION

The Commercialisation function within the GMA is designed to leverage Gautrain System assets and GMA resources to benefit provincial citizens, encourage the use of public transport, and enhance revenue generation.

1.9.1 Licensing services

The DLTCs at the Centurion and Midrand Stations along with a pilot facility at the GMA Office in Midrand processed a significant number of renewals and permits. Key figures in comparison with the previous financial year included:

Table 16: Renewals and permit comparison

Products	FY 2024/25	FY 2023/24	Difference	% Difference
Driver's licenses	80,406	75,486	4,920	7%
Motor vehicle license renewals	14,758	1,180	13,578	1,151% ▲
Professional driver permits	22,299	25,452	(3,153)	-12% ▼

During the financial year under review the GDRT assigned the GMA to assist in the expansion of licensing services to township communities. The Agency initiated the first Smart Licensing Centre in Atteridgeville in the last quarter of the 2023/24 financial year. During this financial year, the Atteridgeville Smart Licensing Centre processed approximately 20,000 driver's license renewals, 12,000 motor vehicle license renewals, issued 8,000 professional driver permits, and 2,000 learner's licenses.

1.9.2 Agency services

The GMA provided advisory services to TAG, GDRT, and g-Fleet Management. The following projects were completed:

- ▣ Project management support for subsidised bus services in Gauteng;
- ▣ Business case development for the new organisation for g-Fleet Management;
- ▣ Operationalisation of the TAG.

The GMA reported revenues of R79 million and profits of R14.5 million. Table 17 summarises the financial performance related to commercialisation during the review period.

Table 17: Agency services profit for the 2024/25 financial year

Income Statement	2024/25 R'000	2023/24 R'000	Year-on-year change R'000	Year-on-year % change
REVENUE	79,358	36,383	42,975	118.1%
GMA DLTCs	54,680	32,608	22,072	67.7%
TISH DLTCs	20,992	251	20,741	7,642.2%
Agency services	3,686	3,524	162	4.6%
EXPENDITURE	64,943	24,396	40,545	166.2%
Licensing fees	48,025	14,889	33,136	222.6%
Operational expenses	16,918	9,507	7,410	77.9%
Net profit	14,415	11,987	2,430	20.3%
Net profit margin	18%	33%	-15%	-44.9%

2 GAUTRAIN OPERATIONS PERFORMANCE

2.1 TRAIN OPERATIONS

The purpose of the train operations system is to run trains based on an established operating plan, which includes converting passenger demand into a rail service that determines service frequencies and train set configurations.

There are three train services in operation:

- A General Passenger Service (GPS) on the North/South (N/S) line between Hatfield and Park Stations;
- A GPS on the East/West (E/W) line between Rhodesfield and Sandton Stations; and
- An Airport Passenger Service (APS) on the East/West (E/W) line between OR Tambo International Airport and Sandton Stations.

2.1.1 Train availability and punctuality

The performance targets for train availability and punctuality are set at 98% and 94%, respectively. During the review year, the train service achieved an average availability of 99.51% and a punctuality rate of 97.57%. Service quality remained stable despite a slight increase in service-affecting incidents later in the financial year.



2.1.2 Relevant outcomes

During the year under review, total passenger trips amounted to 7,860,068, reflecting a decrease of 0.50% compared to the previous year's increase of 10.79%. This decline during the financial year may be attributed to factors such as e-toll cancellations, service disruptions, and fluctuations in fuel prices.

Table 18: Passenger trips for the financial year

Service type	Airport passenger	General passenger	Total
2023/24	747,724	7,154,764	7,902,488
2024/25	710,214	7,149,845	7,860,068
% Change	-5.00%	-0.10%	-0.50%

2.1.3 Train passenger demand

The train passenger numbers or matched trips for two financial years are summarised in Figure 13. These figures include the total number of train passenger trips, as well as a detailed breakdown of the average weekday passenger trips.

* A 'matched trip' is where the Automatic Fare Collection System matched all rail entries and exits by ticket, sequential number, and time.

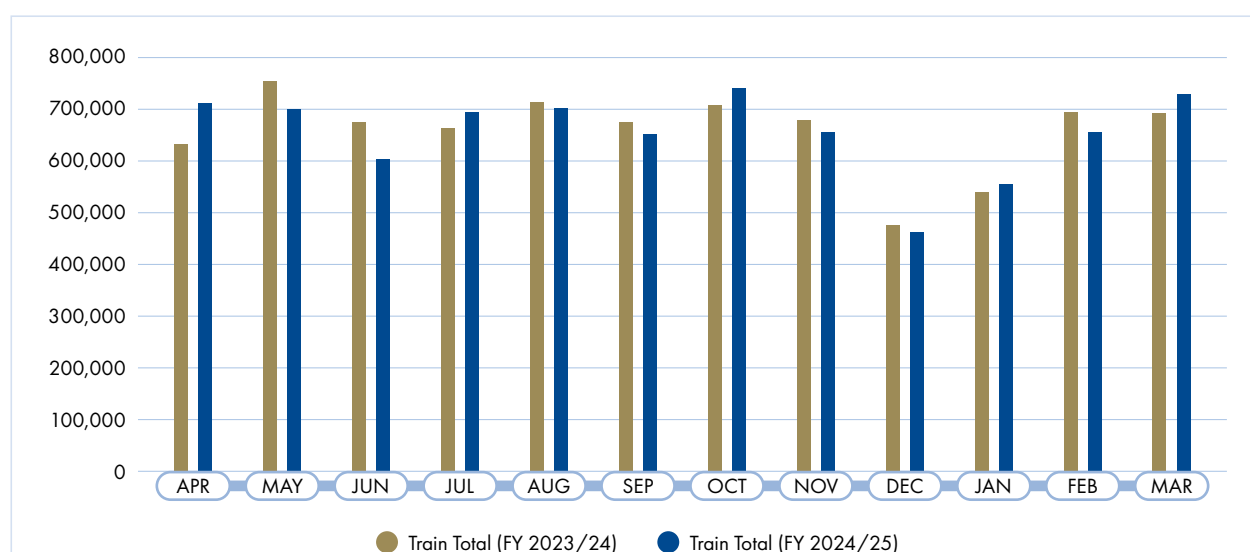


Figure 13: Total train passenger trips for all rail services by month

2.2 FEEDER AND DISTRIBUTION OPERATIONS

The Gautrain Dedicated Feeder and Distribution Services (DFDS), or bus services, operate mainly on business days. There are 26 routes in operation on weekdays and two during weekends and public holidays. The weekend services are operated between the Pretoria Station and Pretoria Zoo, and from the Midrand Station to the Mall of Africa. Special events over weekends to promote awareness and usage of the service are run on an ad hoc basis.

The Gautrain bus operations support the rail system with DFDS to enhance the accessibility of the specified stations; and also serve as an alternative means of transportation when there is a problem in operating a full end-to-end rail service. The bus service availability and punctuality are managed with an agreed timetable that provides the parameters for the Performance Monitoring System. The availability norm is 99% and the punctuality norm is 95%.

The underperformance of the Gautrain bus service can be attributed to reliability issues with the current bus fleet and frequent industrial actions by bus drivers.

During the year under review, the bus passenger trip numbers were at 2,381,914 which is 7.73% lower when compared to 2023/24 (see Table 19), reversing the previous year's 10.96% growth. This underperformance stems primarily from the current bus fleet and frequent industrial actions by bus drivers. During weekdays, the bus services maintained a support level of between 31% and 38% of rail trips.



Table 19: Total bus passenger trips

	Bus total
2023/24	2,581,465
2024/25	2,381,914
% Change	-7.73%

2.3 SYSTEM CAPACITY AND EXPANSION

System capacity is divided into rail service, bus service and park-and-ride capacity. The emphasis is on short to medium-term demand optimisation, supported by capacity interventions. On a 12-month cycle of operations, the actual performance of the system is assessed, and the future passenger demand is forecast using the internal capacity planning tool. All the system constraints are monitored and updated regularly with the latest trends. The GMA, together with the Concessionaire, monitors demand on the system through Quarterly Capacity Committee meetings to implement capacity interventions when required.

During the year under review, the train overcrowding performance during peak periods remained at 100% throughout the financial year. No DFDS overcrowding events were recorded during the period. Although no Gautrain System capacity constraints are expected in the short term, it remains important to monitor capacity utilisation continuously.



2.4 PERFORMANCE MANAGEMENT

The performance regime is to assure a predefined quality and standard of service that is designed to be attractive to Gautrain's target markets. The comprehensive performance regime specified in the CA penalises the Concessionaire for non-adherence to predefined performance norms or standards of the critical elements on the Gautrain System. Non-conformance to these performance standards may result in various levels of penalties based on daily and/or an aggregated monthly performance. However, the CA makes provision for relief to the Concessionaire related to conditions outside its control, defined in the CA as external causes and project events. The conditions are subject to an acceptable motivation and require evidence indicating no negligence, and that appropriate incident management practices were implemented.

2.4.1 System performance review

The Performance Monitoring Committee (PMC) reviewed the Concessionaire's monthly performance against the set norms to validate a penalty percentage to, amongst others, calculate the monthly operating fee deduction.

Table 20: Penalty percentage summary by measurement group

Major performance measurement groups	Penalty percentage weight	Q1			Q2			Q3			Q4		
		Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25
PP1 Train Operational Service Group	60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PP2 Feeder and Distribution Group	10%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%	4.00%	4.00%	0.00%	7.00%
PP3 Customer Feedback Group	3%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PP4 Security Group	20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PPS Cleanliness and Damage Repair Group	7%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Penalty Percentage (PP)	100%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%	4.00%	4.00%	0.00%	7.00%

The system performance for the financial year under review included multiple instances of underperformance that resulted in several penalties within the Feeder and Distribution Group. There were eight penalties for underperformance related to service punctuality and three penalties for underperformance concerning service availability.

Throughout the year the GMA ensured that all service components as per the major performance groups provided an acceptably consistent high-quality service to users of the Gautrain System.

2.5 REVENUE MANAGEMENT, FARE OPTIMISATION AND FARE EVASION MANAGEMENT

Revenue management consists of the revenue collected by the Concessionaire which is influenced by the annual fare adjustment, ridership and income protection or fare evasion management.

The fare evasion management objective is primarily to secure all fare revenue for services rendered and to minimise the monthly PG payable. The secondary objective is to maintain a safe and secure environment for paying passengers.

2.5.1 Revenue management and fare optimisation

The year under review was characterised by a slight increase in usage of the System and related revenue resulting in growth in revenue of 5.9% compared to the previous financial year. The annual fare adjustment is agreed upon according to the timelines and framework prescribed in the CA as guided by the ticketing regime. These are, amongst others, to maximise patronage in the System, and to set fares that are attractive and in line with the expected Consumer Price Index (CPI) movements.

During the year under review the annual fare adjustment continued to be used as a lever to influence customer behaviour, improve customer satisfaction and to encourage System usage. This was evident as the broad fare adjustment based on a general CPI of 6.09% was agreed to and implemented on 1 June 2024.

The highlights of the fare adjustment are:

- CPI related increase on all Rail Fares and Parking Fares;
- Bus Fare – R1 increase for rail users and R2 increase for non-rail users;
- R2 increase on boarding fare;
- Increase on Penalty Fares to align with the cheapest APS fare; and
- No increase on Gautrain Cards.

The structure of discounted products available for regular users on the General Passenger Service (GPS), including students, remained unchanged as follows:

- The 10-trip ticket saving at 7.5%, based on a single train trip standard fare valid for 10 days; and
- The 44-trip ticket saving at 15% based on a single train trip standard fare valid for 44 days.
- Students' 10-trip ticket saving at 25%, based on a single train trip standard fare valid for 10 days; and
- Students' 44-trip ticket saving at 25% based on a single train trip standard fare valid for 44 days.

GPS Rail Ticket Product Preference is made up of Pay-As You Go Stored Travel Rights (STR), Europay Mastercard Visa (EMV), Period Products, and Single and Return Products. Table outlines the preference and usage change for each product.

Table 21: Preference and usage change by product for 2024/25

Product	Preference (%)	Usage change (%) (compared to 2023/24)
Pay-As You Go Stored Travel Rights (STR)	54.97	-6.9 ↓
Europay Mastercard Visa (EMV)	19.6	+20.3 ↑
Period Products	20.7	+7.6 ↑
Single and Return Products	4.8	-12.6 ↓

Passenger convenience continued to be maintained through offering an option for passengers to load their Gautrain cards through the website and app. EMV and websales make up 28.8% and 6.9% of ticket sales respectively. This is an increase of 23.4% on EMV usage and 5.9% for websales compared to 2023/24.

Student products usage improved slightly which is evident as this revenue makes up 3.1% of GPS revenue up from 2.3% in 2023/24.

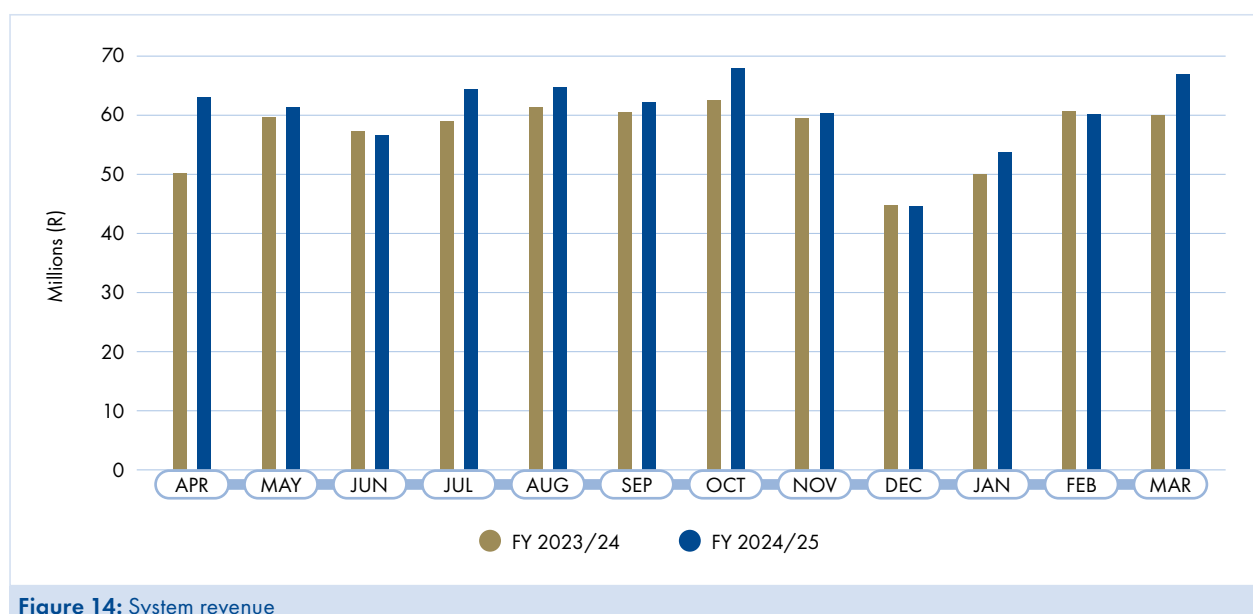


Figure 14: System revenue

The impact on revenue is clearly demonstrated in Figure 14. Revenue increased by 5.9% compared to 2023/24 and reached 54.3% of pre-COVID-19 level. October 2024 recorded the highest revenue in the 2024/25 financial year which was also the highest post-COVID-19.

2.5.2 Fare evasion management

The fare evasion rate applicable throughout the year remained below the 4% norm. The average fare evasion rate stood at 0.00%, which is in line with the fare evasion rate recorded in the previous financial year.

Blocked Contactless Smart Cards (CSCs) due to tailgating increased from 10.63 per million passengers in 2023/24 to 28.17 per million passengers in 2024/25. Compliance with the Fare Evasion Management Plan (FEMP) and fare evasion schedule improved during the financial year, resulting in a low fare evasion rate. Ongoing measures, such as blocking CSCs when potential fare evasion is detected, intensive checks at fare gates, on trains, and buses, increased visibility of security and station personnel, and passenger education have helped to maintain the fare evasion rate below the 4% norm.

FEMP was revised after completion of installation of the new PG600 fare gates to accommodate evolving passenger behaviours, support EMV and adapt to emerging trends in the payments industry to ensure continuous compliance to Payment Card Industry (PCI) Data Security Standards (DSS).

2.6 STATION OPERATIONS

Train station performance, condition and level of service are pivotal in growing ridership on the Gautrain System. Station staff and security are at the forefront interfacing directly with passengers and representing the Gautrain. The GMA monitors the Concessionaire's performance relative to set targets for hygiene, equipment availability and level of service, and penalties are applied for underperformance. The monitoring of the Concessionaire's performance includes the qualitative and quantitative measurements contained in the CA. The monthly targets achieved are rated against the predetermined CA performance targets, and the Performance Management System is applied where targets are not met.

During the period under review, the Concessionaire exceeded the system infrastructure condition target with a result of 100% for this financial year. This is 5% above the 95% requirement. Both station cleaning and station condition KPIs were measured above their 95% targets for this financial year. The performance of lifts, fare gates as well as ticketing machines operated above their respective targets on average with high compliance levels.

As part of improving the System, new generation fare gates were installed at Sandton, Park and OR Tambo Stations to alleviate congestion and queues. These gates provide enhanced features to limit possible fare evasion.



2.7 SYSTEM SECURITY

The GMA ensures that the Concessionaire adheres to the System Security Performance Measures outlined in the CA, for the effective safety and security of the System. The Concessionaire's compliance with the established performance measures is continuously monitored to ensure the safety of passenger property and physical security of passengers in the System.

The Concessionaire's security performance and other agreed thresholds for Physical Security of Passengers (PC4 S1) and Safety of Passenger Property (PC4 S2) in the CA are monitored monthly. During this financial year, there were two PC4 S2 incidents reported, which exceeded the threshold. Proposed security measures aimed at reducing these incidents will be implemented in the new financial year.

The Concessionaire continued to monitor and manage rail reserve incidents to mitigate security risks within and along the rail reserve. During the financial year, the number of rail reserve incidents averaged eight, remaining consistent with the previous financial year. This stability is attributed to the implementation of enhanced security measures at hotspot areas. As part of its assurance role, the GMA conducted several inspections of the rail reserve to identify external security threats and develop mitigation measures. These inspections are essential for protecting the Gautrain System, its passengers, and their property from potential dangers.

The GMA, through the Concessionaire, completed a project to clean up the Rhodesfield Outside Station Precinct, enhancing the public realm outside the station. This initiative included the deployment of patrol security personnel in the Rhodesfield Outside Station Precinct. These security measures have contributed to improving safety and security in the area. The GMA has also established and maintained stakeholder relationships within the security environment, recognising that partnerships are essential for achieving successful security outcomes.

2.8 LAND ACQUISITION AND WAY LEAVE MANAGEMENT

The GMA bears the crucial responsibility of protecting the rail reserve and other public transport infrastructure, as outlined by the GTIA. The Agency has conscientiously executed its oversight role by meticulously reviewing GTIA applications in close co-operation with the Concessionaire and Operator.

During this financial year, drone technology was introduced for assurance purposes. This includes enhancing the Agency's technological tools to manage and monitor the rail reserve; security monitoring, and transport planning.

The GMA processed numerous GTIA applications and conducted site inspections to ensure compliance with approval conditions. These applications were assessed and managed using the GMA's Geographic Information System (GIS). Additionally, the GMA utilised a GIS web-based Land Information Register to manage land information and keep track of development activities along the rail reserve, capturing current and future development trends for planning purposes.

The GMA has deployed ArcGIS Site Scan within its GIS environment, which enabled capturing, processing and analysing drone imagery. The Agency continues to share GIS data and obtain relevant GIS data from third parties to support the protection of the Gautrain System. Engagements with external stakeholders regarding GTIA applications has led to effectively minimising potential adverse effects on the Gautrain rail reserve.

2.9 ASSET MAINTENANCE, MANAGEMENT AND ASSURANCE

The GMA performs an oversight role to ensure the Concessionaire's Asset Maintenance and Management Plan (AMMP) is implemented according to the CA and best industry practice. The GMA has established a long-term asset assurance management framework for maintaining existing system assets, adding new assets due to system expansions, and renewing or replacing assets due to obsolescence and end of life.

The Gautrain assets are classified into core and non-core assets:

- ▣ The Concessionaire's entity, Bombela Maintenance Company (BMC), is responsible for the maintenance of the core railway system; and
- ▣ The Concessionaire's entity, BOC, is responsible for the maintenance of the non-core railway system.

During the period under review, the GMA managed the maintenance and performance of system assets in accordance with the CA and best industry practice. Key highlights included:

- ▣ Completion of all planned maintenance activities as per the AMMP.
- ▣ Implementation of renewal, upgrade, and replacement projects, including rolling stock refurbishment and modernisation of equipment.
- ▣ Capacity optimisation through projects like the installation of PG600 fare gates in stations and enhancements to wayfinding signage.
- ▣ Efforts to improve passenger experience, such as Wi-Fi installation, ergonomic bench upgrades.
- ▣ Preparation for asset transfer to the Successor Concessionaire, including detailed condition assessments and timelines for handover.
- ▣ Reduction in service-affecting failures through robust asset management strategies and corrective maintenance tracking in MAXIMO.

Overall, the Gautrain System has consistently performed above targets for availability and punctuality, supported by a strong lifecycle maintenance framework. The cyclical nature of service orders is linked directly to the frequency of trains and the volume of passengers.

2.10 INTEGRATION MANAGEMENT OF THE GAUTRAIN WITH GOVERNMENT'S TRANSPORT SYSTEMS

One of GMA's strategic objectives is the integration of the Gautrain System with other transport services and public transport plans. The GMA aims to achieve this objective through engagements with key public transport stakeholders to discuss integration initiatives and to co-ordinate integrated transport planning in the Gauteng Province. The Agency achieves this through:

- Participating in the planning structures and engages relevant public transport stakeholders to ensure that integration projects or initiatives are implemented effectively.
- Supporting the improvement of the public transport network through the provision of scheduled, safe, and reliable mobility services and the implementation of infrastructure improvement projects.
- Providing inputs to the Comprehensive Integrated Transport Plans (CITPs) that municipalities are currently reviewing.

During the period under review, the GMA implemented three additional MFDS routes to enhance accessibility to the Gautrain System. Furthermore, the GMA made amendments to existing MFDS routes to expand the coverage of feeder services and ensure accessibility to new developments.

The GMA has received approval from the City of Johannesburg metropolitan municipality to modify two DFDS routes, with implementation planned for the next financial year.

The GMA engaged in provincial and municipal structures to co-ordinate transport planning and integrate public transport services, including Intermodal Planning Committee meetings as mandated by the National Land Transport Act (NLTA).

New employment opportunities arose with the launch of the Samrand MFDS route, the express service from Marlboro Station to the Gautrain Midrand depot, and the amendment of the Greenstone MFDS route.

2.11 PLANNING FOR THE FUTURE – POST-2026 PROJECT

The GMA is making progress with the Post-2026 Project, currently in an advanced procurement stage. This aims to ensure a smooth handover from the current Concessionaire to the Successor Concessionaire. In the past four years, significant milestones included developing a detailed feasibility study and procurement documents. The GMA received Treasury Approvals IA and IIA, allowing it to enter the procurement phase. The project is expected to reach financial close by mid-March 2026.

The PPP structure will remain the most optimal delivery method for the post-2026 Gautrain, transferring risk to the private sector, enhancing cost efficiency, institutional capacity, market appetite, environmental sustainability, and timely transition. The project aligns with provincial and national transport and economic goals, continuing world-class rail service and stimulating business activities for small and medium enterprises, significantly contributing to job creation in the province.

Lastly, the Post-2026 Gautrain aims to enhance affordability and value for money, ensuring long-term financial sustainability.

2.12 PLANNING FOR THE FUTURE –GRRIN EXTENSIONS

The 25-Year Integrated Transport Master Plan for Gauteng (ITMP25) that was adopted by the GPG in 2013, was commissioned to enable province-wide mobility, SED, and societal development in the future. As part of the development of the interventions proposed by the ITMP25, particularly the positioning and subsequent development of the passenger rail network as the backbone of Gauteng's public transport system, it was necessary for the GMA to develop a comprehensive strategy to improve rail coverage in the Province.

Implementation of this strategy began with the undertaking of a comprehensive feasibility study of possible extensions to the existing GRRIN. This feasibility study was completed in 2016 and concluded that the GRRIN extensions will provide significant economic and transport-related benefits to both the Province and the country whilst offering value for money and appropriate risk transfer if procured as a PPP in accordance with Regulation 16 of the PFMA.

The implementation of the proposed GRRIN extensions will be completed in five phases of which Phase 1 extends from the existing Marlboro Station to a new station at Little Falls on the West Rand, including additional stations at Randburg, and Cosmo City. Phase 2 will further connect to Soweto from Little Falls with additional stations at Roodepoort, and Jabulani. Phases 3 to 5 will include further connections to Lanseria, and Mamelodi through Cosmo City, as well as a further connection from the existing Rhodesfield Station to Boksburg.

The feasibility study, together with an application for Treasury Approval 1 (TA1) for Phase 1 in accordance with Regulation 16 of the PFMA, was submitted to the National Treasury in April 2017. While the approvals are being sought, other preparatory work that is required to enable the development of the proposed GRRIN extensions project continue. Such preparatory work is the undertaking of the processes required to enable the MEC responsible for Transport to determine the routes for the proposed GRRIN extensions in accordance with the GTIA.

The Preliminary Route Alignment Study to enable the determination of the route for Phase 1 was undertaken and concluded to enable the MEC to determine this route on 25 May 2022. The project to enable the MEC to determine the route for the Soweto Extension, as well as the Cosmo City Junction of the proposed GRRIN extensions, commenced in August 2022.

As part of enabling the GPG's mobility and strategic economic infrastructure investment, the GMA was mandated to investigate the increasing of rail coverage in Gauteng.

2.12.1 Performance during the year under review

During the year under review, the optimal alignments, station locations, together with their environmental screening were developed and approved in accordance with the project as well as the GMA's corporate governance processes including approval for the commencement of the public consultation process by the MEC.

The Prefeasibility Study of Further Servicing Gauteng through rail was undertaken and concluded in this reporting period. The outcomes of this study will be incorporated into any future updates of the Feasibility Study of Possible Extensions to the Existing Gauteng Rapid Rail Integrated Network (2016).

The management of enquiries related to the GRRIN Extension Project including the determined route for Phase 1 continued including providing responses to all the emails that were received after the conclusion of the process of determining the route for this phase.

2.12.2 Future focus

The following outcomes are planned for the GRRIN Extension Project in the next financial year:

- ▣ Advancing the TA1 approval process for Phase 1 of the proposed GRRIN extensions with the National Treasury;
- ▣ Continuing stakeholder management for the GRRIN Extensions Project;
- ▣ Advancing the Preliminary Route Alignment Study for the Soweto extensions and Cosmo City junction of the proposed GRRIN extensions; and
- ▣ Determining and publishing of the route for the Soweto extensions and Cosmo City junction of the proposed GRRIN extensions.

2.13 VARIATIONS

The GMA is tasked with managing the variation process in accordance with the requirements of the CA, ensuring that any variations serve the best interests of the Province. This oversight includes:

- ▣ Investigating and implementing commercial opportunities within the System to optimise passenger growth and revenue.
- ▣ Issuing commercial variations in line with the CA to initiate System improvements and enhancements.
- ▣ Providing technical and commercial input in litigation and matters related to dispute resolution.
- ▣ Developing plans for capital expenditure (CAPEX) delivery in the financial year.
- ▣ Managing the Concessionaire in compliance with the contractual obligations of the CA.

During the year under review, the GMA was notified of 11 Project Events. Seven were settled, three are ongoing, and one was adjudicated in favour of the Agency. One Terminal Station Incident is ongoing, along with a security dispute from August 2024.

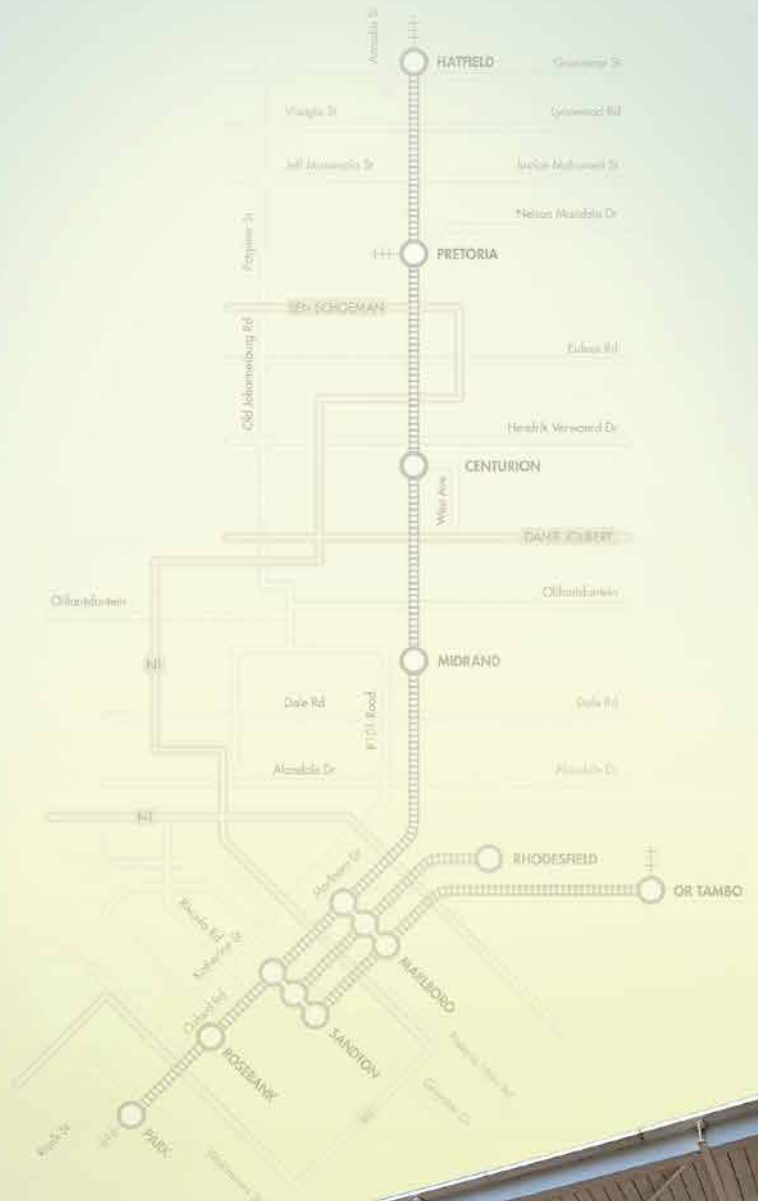
The GMA has been managing existing variations and working on closing off variations in compliance with the CA and the COCA. The GMA and the Concessionaire have initiated and completed commercialisation projects within the System, including smart licensing centres. Both parties have also facilitated new midibus routes as part of variations and implemented measures to expand the customer base and enhance security for the System.

The GMA is now focusing on key variations already introduced, as new changes are restricted 18 months before the CA ends. The next financial year will focus on these strategic initiatives: ridership programmes, special events, midibus routes, and finalising ongoing variations. Current projects include:

- ▣ Enhancing current assets;
- ▣ Marketing for ridership growth;
- ▣ Commercialisation initiatives; and
- ▣ Improving customer experiences with:
 - Security upgrades;
 - Midibus strategy continuation;
 - New products to boost passenger numbers;
 - Special event partnerships for branding and marketing; and
 - Implementing backup power systems.



MANAGING HUMAN CAPITAL



Human Capital is an important factor in the growth and success of the GMA. Investing in employee development and creating a supportive culture that enhances individual value contributes to achieving long-term organisational success.

HUMAN CAPITAL INSIGHTS

- 205 permanent and fix-term employees.
- 45% young people employed by the GMA
- R3,881,658.00 spent on education, training and development.
- R2,649,287.00 spent on employee wellbeing.

VALUE CREATED

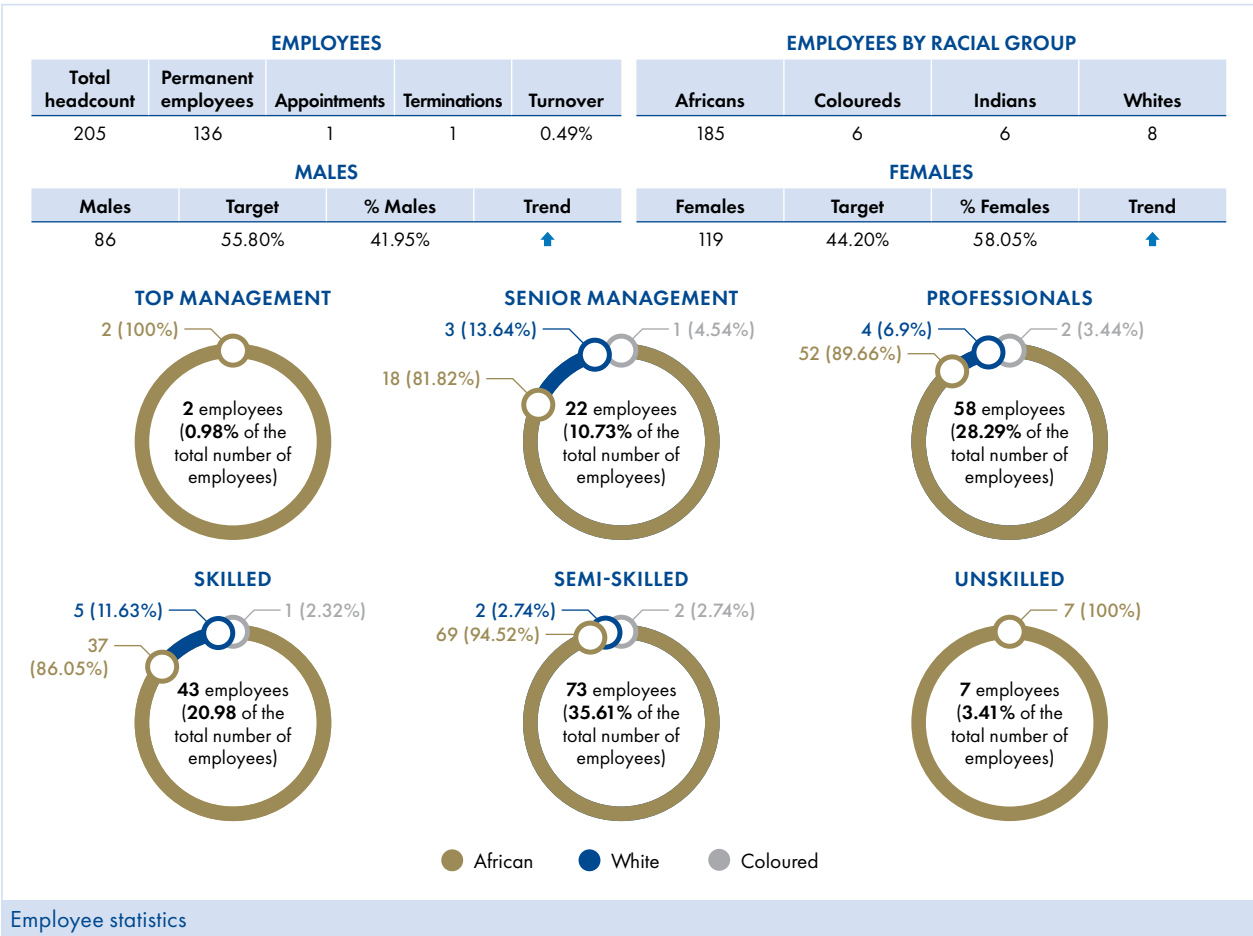
- Job creation.
- Knowledge exchange.
- Training and development.
- Wellbeing.

KEY FACTORS IMPACTING THE GMA’S HUMAN CAPITAL

Associated key risks	The strategic response
High turnover/attrition risk	• Employee wellness programmes that prioritise overall mental and physical wellbeing of employees. • Total reward strategy that focuses on the retention of high calibre employees.
Development impact risk	• Transformed and skilled staff complement.
Reputational risk	• Culture interventions that focus on employee wellbeing.
Sustainability risk	• Culture that embraces diversity and inclusion.

1 GMA EMPLOYEE PROFILE

At the end of the 2024/25 financial year, the GMA’s workforce composition was diverse as indicated in the statistics that follow.



Employee statistics

This highlights the Agency’s efforts to create opportunities for diverse talent pools. Moreover, the net increase of 21 new employees indicates a dynamic and evolving workforce, despite the departure of 11 employees. These changes are an indication of both growth prospects and normal staff turnover.

2 KEY INITIATIVES UNDERTAKEN DURING THE FINANCIAL YEAR

2.1 EMPLOYEE WELLNESS

Employees have continued to utilise the services of our employee wellness partner. Throughout the financial year, various wellness initiatives were conducted, including a Mental Health Awareness Campaign, the Movember campaign, and a Wellness Day event.

2.2 LEARNING AND DEVELOPMENT

The GMA continues to invest in leadership and team development to enable the Agency's people to grow and unlock their potential. For the reporting period, multiple training programmes such as GMA ESG Workshop, Data Literacy and Governance Workshop, SHEQ Integrated Management System Training, Ethics Ambassadors Training, Masterclass 14: ITMP25, Data analysis and Mapping, STP & IIP Masterclass, and Cyber Security Awareness Training were rolled out.

2.3 EXECUTIVE LEADERSHIP DEVELOPMENT PROGRAMME

Employees participated in and completed the second cohort of the ELDP. This cohort included all executive and senior managers, divided into two groups. The first group attended the programme during the second quarter, while the second group participated in the fourth quarter to minimise operational disruptions. A total of 27 GMA specialists, senior managers, and executive managers attended the training programme, along with various delegates from different organisations.

2.4 PERFORMANCE MANAGEMENT

During the period, contracting for the 2024/25 financial year was completed; both the mid-year evaluation review and full-year performance reviews were completed.

2.5 TOP EMPLOYER

The Agency achieved Top Employer status with a certification score of 83.76%. This internationally recognised certification is awarded by the Top Employers Institute and operates globally. The certification enhances organisational strategies to improve work environments and attract top talent.



2.6 HUMAN CAPITAL INFORMATION MANAGEMENT SYSTEM

The implementation of the new Enterprise Resource Plan system to integrate Human Capital Systems has reached 90% completion.

2.7 TALENT MANAGEMENT AND DEVELOPMENT

During the financial year the focus was on talent acquisition, performance management, succession planning, and establishing a competitive framework.

2.8 ORGANISATIONAL DESIGN

The organisation's macro-structure was developed and presented to the Board for consideration. The Board informed Management to proceed with the development of the micro-structure, incorporating inputs from business units and all employees.

2.9 RECOGNITION

The Agency developed an employee recognition framework to recognise admirable values and behaviours aligned to the GMA's values; and to acknowledge outstanding behaviours aligned to the values. During the financial year employees were recognised through various programmes and initiatives to boost morale and performance.

2.10 ONBOARDING

A comprehensive onboarding programme to ensure seamless integration of new employees was implemented.

3 HUMAN CAPITAL STATISTICS

Table 22: Personnel cost by programme/activity/objective

Programme/activity/objective	Total expenditure for the entity R'000	Personnel expenditure R'000	Personnel exp. as a % of total exp. R'000	No. of employees	Average personnel cost per employee R'000
Project expenditure	2,709,294	-	-	-	-
GMA expenditure	508,923	273,294	54%	205	1,333
Total	3,218,217	273,294	8.5%	205	1,333

Table 23: Personnel cost by salary band

Salary band	Personnel expenditure R'000	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee R'000
Top management	18,175	7%	2	9,088
Senior management	77,916	29%	22	3,542
Professional qualified	104,186	38%	59	1,766
Skilled	55,211	20%	43	1,284
Semi-skilled	15,813	6%	72	220
Unskilled	1,993	1%	7	285
Total	273,294	100%	205	1,333

Table 24: Performance rewards

Programme/activity/objective	Performance rewards R'000	Personnel expenditure R'000	% of performance rewards to total personnel cost
Top management	5,521	18,175	30%
Senior management	14,925	77,916	19%
Professional qualified	18,141	104,186	17%
Skilled	5,902	42,291	14%
Semi-skilled	661	15,813	4%
Unskilled	242	1,993	12%
Total	45,392	260,374	17%

Table 25: Equity targets

Salary band	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	2	1	0	0	1	1	0	1
Senior management	12	2	1	1	1	1	1	1
Professional qualified	22	43	2	1	1	1	0	5
Skilled	15	25	0	1	1	1	0	5
Semi-skilled	24	1	1	1	1	1	0	0
Unskilled	1	1	0	1	0	0	0	0
Total	76	73	4	5	5	5	1	12

Salary band	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	0	0	0	0	0	0
Senior management	6	3	0	1	0	1	1	1
Professional qualified	30	34	0	1	1	1	2	4
Skilled	22	17	1	1	0	1	3	4
Semi-skilled	45	1	1	1	0	0	1	1
Unskilled	6	1	0	1	0	0	0	1
Total	109	57	2	5	1	3	7	11

Salary band	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	1	0	0
Senior management	1	0	1	0
Professional qualified		0	0	1
Skilled	1	1	0	1
Semi-skilled		0	0	0
Unskilled	0	0	2	0
Total	2	2	3	2

Table 26: Employment and vacancies

Employment equity category	2024/25 No. of employees (31 March 2024)	2024/25 Approved posts (1 April 2024)	2024/25 No. of employees (31 March 2025)	2024/25 Vacancies	% of vacancies
Top management	2	3	2	1	0%
Senior management	22	26	22	4	2%
Professional qualified	60	69	58	11	5%
Skilled	41	48	43	5	2%
Semi-skilled	4	88	73	15	6%
Unskilled	7	7	7	0	0%
Total	136	241	205	36	14.9%

Table 27: Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	3	0	1	2
Senior management	21	1	0	22
Professional qualified	56	6	2	60
Skilled	41	4	4	41
Semi-skilled	3	1	0	4
Unskilled	7	0	0	7
Total	131	12	7	136

Table 28: Employment and vacancies

Business unit	2024/25 No. of employees (1 April 2024)	2024/25 Approved posts	2024/25 No. of employees (31 March 2025)	2024/25 Vacancies	% of Vacancies
CEO's Office	2	8	2	6	75%
Commercial Management	9	70	67	3	4%
Communication and Marketing	14	15	14	1	7%
Compliance and Legal	4	6	4	2	33%
COO's Office	3	3	3	0	0%
Office of the Company Secretary	2	4	2	2	50%
Corporate Services	21	26	22	4	15%
Finance	16	18	16	2	11%
Information and Communication Technology	15	22	17	5	23%
Internal Audit	7	10	9	1	10%
Knowledge Management	6	10	8	2	20%
Enterprise Portfolio Management (ePMO)	4	8	5	3	38%
Programme Management (CEO)	2	2	2	0	0%
Ethics, Risk and Compliance	5	7	5	2	29%
Technical Services	26	32	29	3	10%
Total	136	241	205	36	14.9%

Table 29: Training costs

Business unit	Personnel expenditure R'000	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Avg. training cost per employee R'000
CEO's Office	12,200	-	0.0%	0	0
Commercial Management	17,298	156	0.9%	14	11
Communication and Marketing	16,477	148	0.9%	6	25
Compliance and Legal	10,173	24	0.2%	1	24
COO's Office	8,588	21	0.2%	2	11
Corporate Governance	6,449	129	2.0%	4	32
Corporate Services	17,406	304	1.7%	12	25
Finance	21,780	134	0.6%	8	17
Information and Communication Technology	16,305	149	0.9%	7	21
Internal Audit	10,930	158	1.4%	6	26
Knowledge Management	7,696	185	2.4%	5	37
Portfolio Management	7,419	131	1.8%	4	33
Technical Services	33,602	747	2.2%	17	44
Total	186,324	2,286	15.4%	86	27

Table 30: Reason for leaving

Reason	Number	% of total no. of staff leaving
Death	1	0.5%
Resignation	9	4.4%
Dismissal	0	0%
Retirement	1	0.5%
Ill health	1	0.5%
Expiry of contract	0	0%
Other	0	0%
Total	12	5.9%

Table 31: Labour relations: Misconduct and disciplinary action

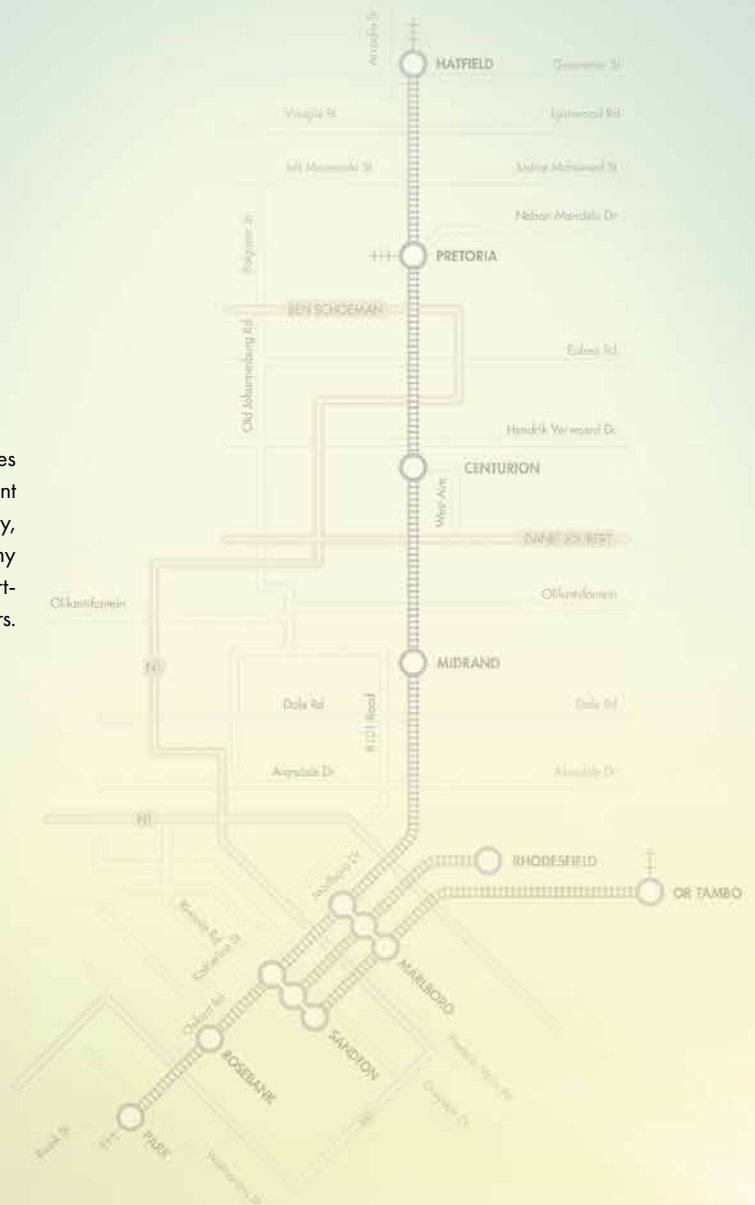
Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0





STRATEGIC OUTLOOK

The GMA understands that creation of sustainable value requires responsive strategic planning and consideration of the environment in which the Agency operates in. Therefore, the GMA strategy, driven by the purpose to transform space, people, and the economy through mobility, helps the Agency to ensure that it meets short-medium and long-term goals and create value for all stakeholders.



GMA OUTCOMES

- 1 Provision of a reliable, efficient, affordable and sustainable rail service.
- 2 Assurance that the obligations of the concessionaire are met per the Concession Agreement.
- 3 Sound financial management of all GMA revenue sources. Concessionaire meets its obligations regarding the maintenance of the system.
- 4 Entrenchment of an environment of strong corporate governance and legal compliance.
- 5 Robust, cooperative and productive environment with all relevant stakeholders.
- 6 Economic growth and development of Gauteng through B-BBEE's and SMME's interventions.
- 7 Development and implementation of integration strategies.

2025–2026 CREATING THE FUTURE

- 1 GMA committed to maintaining high standards of Gautrain Operations to ensure performance excellence and seamless commuting.
- 2 Grow ridership and implement strategic marketing interventions to target new markets, and expand MFDS operations.
- 3 Enhance the GMA ICT services capability, cyber security controls, and GMA's data infrastructure to ensure operational excellence.
- 4 Conclude the procurement of Successor Concessionaire post the current post the current CA.
- 5 Position and preserve the Gautrain brand as an inclusive transport brand.
- 6 Foster innovation through the Knowledge Management Centre of Excellence.
- 7 Optimise feeder services, and exploring micro-mobility solutions for better transport integration.
- 8 Ensure that SED targets are met and exceeded as set in the CA.
- 9 Continuous planning on alternative revenue streams for the GMA.
- 10 Implement continuity measures to ensure financial sustainability of GMA and other rail mandates as delegated by MEC.
- 11 Ensure concessionaire meets its obligations regarding the maintenance of the System.
- 12 Continue to plan for the GRRIN extensions.
- 13 Build capacity on GMA IP assets development and governance.

2026–2028 FUTURE-READY

Emphasise communication strategies that demonstrate Gautrain's accessibility to a broader population beyond the perception of it being an elite service.

Develop necessary skills and resources to effectively manage the responsibilities associated with Post-2026 concession agreement.

Continue to evaluate the balance between increasing access through fare adjustments and maintaining financial sustainability: Fare policy.

Develop comprehensive feasibility study to evaluate the potential demand and partnerships for extensions.

Ensure GMA stakeholders remain integral to what the GMA does.

Enhance integration of rail services in the province with other public transport services through implementation of integration strategies. Collaboration with other public transport operators to design integrated ticketing and multimodal transport schedules.

Invest in technological solutions that integrate modern mobility services and adapt infrastructure to new technologies.

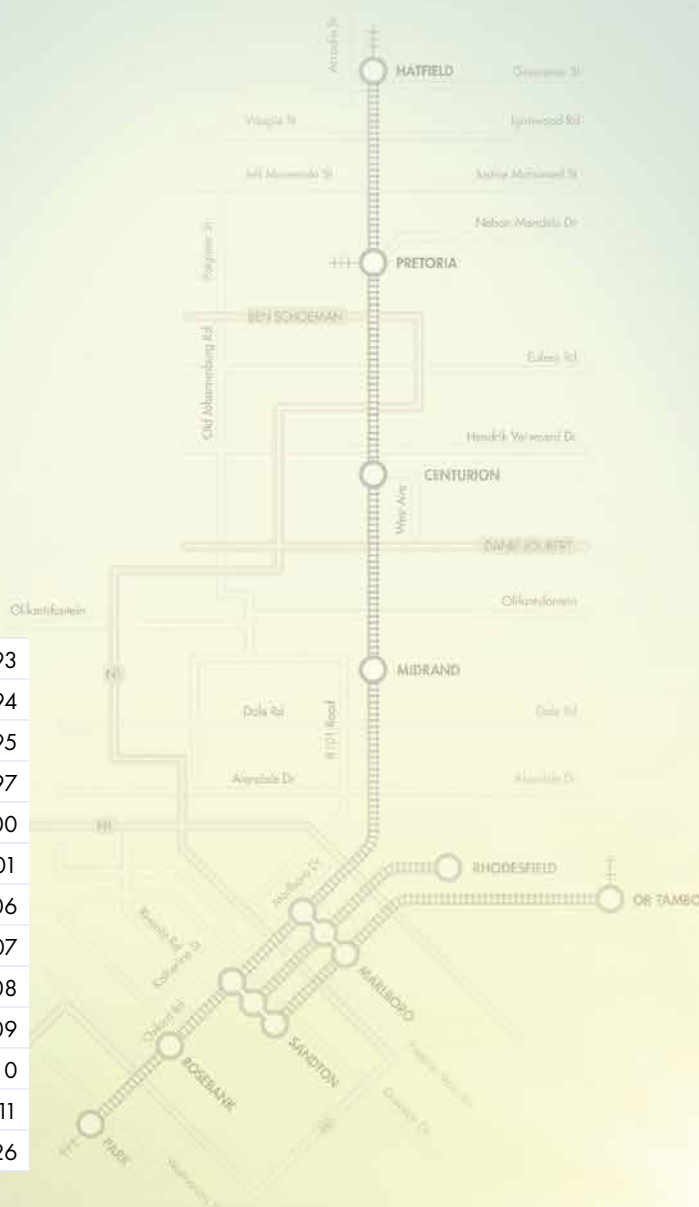
Expand commercial services and explore new partnership for commercial initiatives.



FINANCIAL INFORMATION

INDEX

Abbreviations	93
Administrative Information	94
Statement of Responsibility by the Members of the Board	95
Report of the Audit and Risk Committee	97
Report of the Board	100
Report of the Auditor-General	101
Statement of Financial Position	106
Statement of Financial Performance	107
Statement of Changes in Net Assets	108
Cash Flow Statement	109
Statement of Comparison of Budget and Actual Amounts	110
Accounting Policies	111
Disclosure Notes to the Financial Statements	126



ABBREVIATIONS

CA	Concession Agreement
DRT	Gauteng Department of Roads and Transport
DLTC	Grade F Driving Licence Testing Centre
IFM	Integrated Fare Management
GMA	Gautrain Management Agency
GRAP	Generally Recognised Accounting Practice
MEC	Member of the Executive Council
MTEF	Medium-Term Expenditure Framework
MVL	Motor Vehicle Licence
OCD 1	Operational Commencement Date Phase 1
OCD 2	Operational Commencement Date Phase 2
PAYE	Pay As You Earn Tax
PDP	Professional Drivers licence
PFMA	Public Finance Management Act, No. 1 of 1999 as amended
PPPFA	Preferential Procurement Policy Framework Act, No. 5 of 2000
PRA	Performance Reserve Account
Project	Gautrain Rapid Rail Link Project
PST	Provincial Support Team (Transaction Advisors to the Gautrain Project)
SED	Socio-Economic Development
SIP	Social Investment Programme
System	Gautrain Rapid Rail Link System
TISH	Townships, Informal Settlements and Hostels
WIP	Work-in-Progress

ADMINISTRATIVE INFORMATION

Domicile	Republic of South Africa
Nature of Principal Activities	The Gautrain Management Agency (GMA) is a Schedule 3C Provincial Public Entity, in terms of the Public Finance Management Act, No. 1 of 1999, as amended (PFMA), reporting to the Member of the Executive Council (MEC) of the Gauteng Department of Roads and Transport. The mandate of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project through the implementation of the Concession Agreement (CA) between the Gauteng Provincial Government and Bombela Concession Company (Pty) Ltd (The Concessionaire). The vision of the GMA is to provide an integrated, innovative and efficient public transport system that promotes sustainable socio-economic growth in South Africa.
Board Members	Prof. M Ntsobi - Appointed as Chairperson from 1 January 2024 to 31 December 2026 Ms M Matolong - Appointed as Deputy Chairperson from 1 January 2024 to 31 December 2026 Mr D Golding - Appointed from 1 January 2024 to 31 December 2026 Ms M Luthuli - Appointed on 1 January 2024 to 31 December 2026 Mr B Mpondo - Appointed on 1 January 2024 to 31 December 2026 Adv. K Maja - Appointed from 1 January 2024 to 31 December 2026 Mr B Sibisi - Appointed from 1 January 2024 to 31 December 2026 Ms L Mtiya - Appointed from 1 January 2021 and as Deputy Chairperson from 1 June 2021 to 31 December 2023 and reappointed from 1 January 2024 to 31 December 2026 Mr T Kgobe - Chief Executive Officer – Appointed from 1 February 2024 to 31 January 2027
Postal Address	Physical Address
P O Box 1266	44 Grand Central Boulevard
Kelvin	Grand Central ext. 1
2054	Midrand
South Africa	1685
	South Africa
Chief Financial Officer	Mr P Mabena
Company Secretary	Mr N Majoko (FCG), [Acting]
Banker	Absa Bank Limited
Auditor	Auditor-General of South Africa
Contact Information	Telephone No.: +27 11 086 3500 Website: www.gautrain.co.za E-mail: info@gautrain.co.za

STATEMENT OF RESPONSIBILITY BY THE MEMBERS OF THE BOARD

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

The GMA Board is responsible for the preparation of the Annual Financial Statements.

The Annual Financial Statements conform with Generally Recognised Accounting Practices (GRAP) and the reporting requirements of the Public Finance Management Act, No. 1 of 1999, as amended (PFMA) and fairly present the state of affairs of the GMA as at the end of the financial year and the results of its operations and cash flows for the period under review.

It is the responsibility of the independent auditors to report on the fair presentation of the Annual Financial Statements.

INTERNAL AND ACCOUNTING CONTROLS

The GMA Board is ultimately responsible for the internal controls of the GMA. Management enables the Board Members to meet these responsibilities.

In order for the GMA Board to discharge its responsibilities, management has developed and maintained a risk management policy and adequate, effective and efficient internal controls.

The internal controls are designed to provide reasonable assurance on the integrity and reliability of the Annual Financial Statements of the GMA and to adequately safeguard, verify and maintain accountability for funds and assets.

Management and the Audit and Risk Committee of the Board have implemented a risk management policy and regularly review the risk register and mitigating internal controls. These are monitored and improved or amended as the GMA's operating conditions change.

Internal controls include a comprehensive budgeting and reporting system operating within strict deadlines, the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

As part of strengthening the internal controls, the GMA has an Internal Audit function which comprises nine personnel. Under the direction of the Chief Audit Executive, the Internal Audit team conducted the audit reviews in accordance with the plan as approved by the Audit and Risk Committee. The Internal Audit plan was prepared in consultation with management and, Audit and Risk Committee. The plan was shared with the Auditor-General.

Based on the information and explanations provided by management and the internal auditors, the GMA Board is of the opinion that the internal financial controls are adequate, effective and efficient and that the financial records may be relied upon for preparing the Annual Financial Statements in accordance with GRAP and to maintain sound accountability for the GMA's assets and liabilities. Nothing has come to the attention of the GMA Board to indicate that a breakdown in the functioning of these controls, resulting in material loss to the GMA, has occurred during the year and up to the date of this report.

GOING CONCERN

The use of the going concern basis of accounting is appropriate because at the date of approval of the Annual Financial Statements, the GMA Board do not believe that there are any material uncertainties related to events or conditions that may cast significant doubt about the ability of the GMA to continue to operate as a going concern.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Board consists of five non-executive members, all of whom are Board Members. The committee meets at least four times per annum. The committee ensures effective communication between the Board, internal audit and the Auditor-General. The Auditor-General and the internal audit have independent access to the Audit and Risk Committee.

The Audit and Risk Committee operates within an approved terms of reference and has discharged its responsibilities for the year, in compliance with its terms of reference.

ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements are prepared in accordance with accounting policies as set out in the notes to the Annual Financial Statements and are supported by judgements, estimates and assumptions in compliance with GRAP.

The Annual Financial Statements for the year ending 31 March 2025 set out on pages 106 to 151 were approved on 31 May 2025 by the Board and signed on its behalf by the Chairperson of the Board and the Chief Executive Officer of the Gautrain Management Agency.



PROF. MFANELO NTSOBI

GMA: Board Chairperson



MR TSHEPO KGOBE

GMA: Chief Executive Officer

REPORT OF THE AUDIT AND RISK COMMITTEE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

1. INTRODUCTION

The GMA Audit and Risk Committee ("the committee") is a statutory committee of the Board duly constituted in terms of Section 19 of the GMA Act and Section 77 of the Public Finance Management Act (PFMA).

The committee hereby presents its report for the financial year ended 31 March 2025 as required by Section 37 of the GMA Act, Treasury Regulation 27.1 and King IV™.

2. COMPOSITION OF THE COMMITTEE

The committee was appointed for a three-year term commencing on 1 January 2024. It is constituted of five Independent Non-Executive Members, supported by two Board Advisors from the National Treasury and the Gauteng Provincial Treasury. The CEO, CFO, COO, CAE, CIDO, select Senior Executive Managers, and the External Auditors have standing invitations to all committee meetings. The composition of the committee and the attendance at meetings are detailed in the tables that follow.

Table 32: Composition of the committee and attendance of meetings

1 January 2024 to 31 March 2025	Member	Position	Attendance of meetings
	Mr Bongisizwe Mpondo	Chairperson Independent Non-Executive	11 out of 11
	Ms Mamela Luthuli	Committee Member Independent Non-Executive	10 out of 11
	Mr Desmond Golding	Committee Member Independent Non-Executive	11 out of 11
	Adv. Kgotso Maja	Committee Member Independent Non-Executive	11 out of 11
	Mr Bafana Sibisi	Committee Member Independent Non-Executive	11 out of 11
	Board Advisors		
	Ms Ulrike Britton *	Board Advisor (National Treasury)	2 out of 6
	Mr Riaz Sheik *	Board Advisor (Gauteng Provincial Treasury)	3 out of 6

* The majority of the meetings were in-committee and the member was not invited

3. ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The committee operates in accordance with formal Terms of Reference, which are reviewed and approved annually by the Board. The Terms of Reference for the 2024/25 financial year were reviewed, with no amendments made. The committee's roles and responsibilities encompass statutory duties aligned with the PFMA. Additionally, the Board has delegated further responsibilities to the committee in accordance with King IV™, including oversight of risk governance, technology and information governance, and compliance governance.

During the 2024/25 financial year, the committee's focus was directed towards the following areas:

3.1 ANNUAL FINANCIAL STATEMENTS

The committee evaluated the appropriateness and accuracy of the Annual Financial Statements. The committee reviewed the adequacy of the accounting policies and practices, the clarity of disclosures, and the entity's compliance with applicable financial reporting standards and other relevant governance and reporting requirements.

3.2 INTERNAL CONTROL, COMPLIANCE, BUSINESS CONTINUITY AND GOVERNANCE

The committee assessed the effectiveness of internal control systems and financial reporting processes, reviewing significant findings from internal investigations related to control deficiencies, fraud, or misconduct, as well as Management's responses. Regular reports on these matters were received to ensure ongoing oversight.

The committee further examined reports concerning the compliance dashboard, legal and regulatory adherence, and information and technology (IT) matters, including cybersecurity, digital transformation initiatives, ICT strategy implementation, ICT projects, and business continuity planning. The committee expressed confidence in the robustness of the ICT control environment. Consideration was also given to the implementation principles and recommendations outlined in the King IV Report™.

The committee monitored the internal control environment's effectiveness by reviewing reports from Internal Audit, Management, and the External Auditor. Additionally, it ensured the integrity and quality of financial reporting through the review of the financial statements submitted for approval.

3.3 RISK MANAGEMENT

The committee reviewed GMA's strategic risks and their potential impact on the achievement of the organisation's strategic objectives. It also evaluated the adequacy of the internal controls in place and assessed the effectiveness of the combined assurance mechanisms associated with these identified risks.

3.4 EXTERNAL AUDIT FUNCTION

The Auditor-General of South Africa serves as the external auditor for GMA. The committee is tasked with overseeing the external audit process. It approved the Audit Strategy and the associated audit fees. The committee met with the Auditor-General on 24 July 2025 to receive an audit report. The committee reviewed the findings and recommendations outlined in the 2024/25 Management Letter and evaluated the audit's response plan to address these issues. The committee is satisfied with the independence and overall effectiveness of the external audit function.

3.5 INTERNAL AUDIT FUNCTION

The committee evaluated the independence and effectiveness of the Internal Audit Function, assessed the capabilities of the Internal Audit team, approved the risk-based Internal Audit Plan, and recommended the Internal Audit Charter to the Board for approval. Additionally, the committee reviewed the co-ordination and collaboration between the internal and external audit functions to prevent unnecessary duplication of efforts.

3.6 FINANCE FUNCTION

The committee reviewed the expertise, resources, and experience within the Finance Function, aligning with the principles of King IV™. It is satisfied that the Finance Function possesses the appropriate skills, resources, and experience to fulfil its responsibilities effectively.

The committee confirms that it has fulfilled its statutory obligations as stipulated in the PFMA, the GMA Act, King IV™, and the Terms of Reference for the 2024/25 financial year.

4. PERFORMANCE EVALUATION OF THE COMMITTEE

In accordance with King IV™, the performance evaluation of the Board and its committees is conducted biennially. The Institute of Directors in South Africa (IoDSA) was engaged to facilitate the performance review for the 2024/25 financial year. The committee received an overall score of 4.6 out of 5, with no recommendations issued by the facilitator.

The next performance evaluation for the committee will be conducted during the 2026/27 financial year.

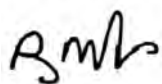
5. FUTURE FOCUS AREAS

The committee's focus areas for the next reporting period include:

- 5.1 Continuing to provide assurance over the integrity of GMA's Annual Financial Statements and the Accounting Policies.
- 5.2 Enhancing GMA's risk maturity.
- 5.3 Continuing to review among others, the Internal Audit Function, risk management, compliance and IT control environment.
- 5.4 Reviewing risk and opportunity registers including a disruption risk register.
- 5.5 Reviewing risks and opportunities associated with the following strategic projects and mandates from the MEC:
 - i) Post-2026 Gautrain Project.
 - ii) Close-out of the CA.
 - iii) Gauteng Rapid Rail Integrated Network Extensions Project.
 - iv) Expansion of the GMA Mandate.
 - v) Commercialisation.

6. CONCLUSION

Based on the audit report from the Auditor-General for the 2024/25 financial year, it is evident that the entity has maintained a high standard of financial integrity and reporting excellence. The sustained unqualified opinion with no material misstatements reflects the diligent efforts and robust controls implemented throughout the year, which have been effectively institutionalised within the organisation's financial and performance reporting environment. This positive outcome underscores the effectiveness of the entity's internal control systems and commitment to sound financial governance.



MR BONGISIZWE MPONDO

Chairperson: GMA Audit and Risk Committee

REPORT OF THE BOARD

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

The Members of the Board have pleasure in presenting their report for the year ended 31 March 2025.

GENERAL REVIEW

The GMA has been established in terms of the GMA Act, No. 5 of 2006, as amended and listed under Schedule 3C of the Public Finance Management Act, No. 1 of 1999, as amended (PFMA), as a Provincial Public Entity and has been operational since 1 January 2009. The overall objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project through the implementation of the Concession Agreement (CA) between the Gauteng Provincial Government and Bombela Concession Company (Pty) Ltd (The Concessionaire).

FINANCIAL OVERVIEW

The financial overview of the GMA is comprehensively disclosed in the Annual Financial Statements.

FINANCIAL RESULTS

The summary of the financial results of the GMA for the Quarter ended 31 March 2025 is detailed in the table below.

Summary of financial results	2025 R'000	2024 R'000
Total income	532,625	426,933
Total expenditure excluding depreciation and amortisation	537,505	466,308
Total expenditure	1,528,042	1,455,408
Net surplus/(loss) for the year	(995,418)	(1,028,475)
Net surplus/(loss) for the year excluding depreciation and amortisation	(4,881)	(39,375)
Total assets	23,765,004	24,257,293
Total liabilities	1,750,908	1,247,780

GOING CONCERN

The Board has considered all the facts and has reason to believe that the GMA will continue to operate as a going concern in the year ahead.

APPRECIATION

The Board wishes to express its appreciation to all parties who participated and assisted during the year under review, and especially the following:

- The Gauteng Provincial Government, MEC Ms Kedibone Diale-Tlabela and the Gauteng Department of Roads and Transport;
- The GMA staff and the Board members for their dedication and commitment;
- Professional bodies who rendered services to the Board and GMA;
- The media fraternity;
- The public in general; and
- The African Union of Public Transport (UATP).

REPORT OF THE AUDITOR-GENERAL

TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE GAUTRAIN MANAGEMENT AGENCY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Gautrain Management Agency set out on pages 106 to 151, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gautrain Management Agency as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act, No. 1 of 1999 (PFMA).

BASIS FOR OPINION

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

EMPHASIS OF MATTER

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

Patronage guarantee

7. With reference to notes 10.2 and 23.1 to the financial statements, the public entity, in terms of the Concession Agreement, pays the Concessionaire, a Patronage Guarantee should actual revenue collected be below the minimum required total revenue as specified in the concession agreement. During the 2024/25 financial year, the public entity paid the operator R3,051,626,000 (2023/24: R2,790,443,000) in the form of a Patronage Guarantee due to the actual revenue and ridership being significantly below the minimum required total revenue projections.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on pages 104 to 105, forms part of my auditor's report.

REPORT ON THE ANNUAL PERFORMANCE REPORT

12. In accordance with the Public Audit Act, No. 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - ▣ Average number of quarterly rail passengers (annualised)
 - ▣ Number of activities undertaken in accordance with the marketing plan
 - ▣ Average number of quarterly bus passengers (annualised)
 - ▣ Identify and implement possible capacity system improvements and interventions on the existing Gautrain network
 - ▣ Number of monitoring events by the Gautrain Management Agency of the concessionaire on all capacity increase obligations set by the concession agreement or by variation notice.
14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the accounting authority's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
 - ▣ the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - ▣ all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - ▣ the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - ▣ the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - ▣ the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - ▣ the reported performance information is presented in the annual performance report in the prescribed manner
 - ▣ there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected indicators.

OTHER MATTER

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.

REPORT ON COMPLIANCE WITH LEGISLATION

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

24. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators scoped-in presented in the annual performance report that have been specifically reported on in this auditor's report.
25. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators scoped-in presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. The other information I obtained prior to the date of the auditor's report is a draft of the 2024/25 annual report. The final 2024/25 annual report is expected to be made available to me after 31 July 2025.
28. If, based on the work I have performed on the other information received prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.
29. When I do receive and read the final 2024/25 annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. I did not identify any significant deficiencies in internal control.

Auditor General

Johannesburg

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The Auditor-General's responsibility for the audit
- The selected legislative requirements for compliance testing.

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

As part of an audit in accordance with the International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

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

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

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Section, regulation or paragraph
Public Finance Management Act, No. 1 of 1999	Sections 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulations 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act, No. 71 of 2008	Sections 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act, No. 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17 Regulation 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraphs 4.8; 4.9 Paragraph 5.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 3 of 2021/22	Paragraphs 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act, No. 5 of 2000	Sections 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act, No. 12 of 2004	Section 34(1)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 R'000	2024 R'000
ASSETS			
Current assets		1,368,419	914,408
Cash and cash equivalents	2	155,982	893,665
Receivables (Exchange transactions)	3.1	1,212,437	20,743
Non-current assets		22,396,585	23,342,884
Property, plant and equipment	4	22,390,125	23,336,565
Heritage assets	5	3,295	3,295
Intangible assets	6	1	1
Receivables (Exchange transactions)	3.2	3,164	3,023
TOTAL ASSETS		23,765,004	24,257,293
LIABILITIES			
Current liabilities		1,658,874	1,159,476
Payables (Exchange transactions)	7	569,140	339,534
Finance lease liability	8	1,325	1,068
Obligations arising from restricted SIP funds	9	21,295	20,735
Obligations arising from restricted Project funds	10	967,695	553,338
Other liabilities (Exchange transactions)	13	93,987	239,367
Provisions	11	5,433	5,433
Non-current liabilities		92,034	88,304
Finance lease liability	8	253	427
Obligations arising from restricted Concessionaire funds	12	91,781	87,877
TOTAL LIABILITIES		1,750,908	1,247,780
Accumulated surplus/(deficit)		22,014,096	23,009,513
TOTAL NET ASSETS AND LAIBILITIES		23,765,004	24,257,293

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Notes	2025 R'000	2024 R'000
REVENUE			
Revenue from non-exchange transactions	14	486,290	302,332
Government grants		486,290	302,332
Revenue from exchange transactions	15	46,335	124,601
Finance income		14,559	60,269
Licences and Permits		30,076	23,981
Other income		1,699	40,351
TOTAL REVENUE		532,625	426,933
EXPENDITURE			
		1,528,042	1,455,408
Board and committee member remuneration	16	6,636	2,357
Employee costs	17 & 18	273,852	240,032
Depreciation	19	990,537	989,100
Finance costs	25	166	164
GMA operational expenditure	20	241,561	209,061
DLTC expenses	20.1	15,290	14,693
NET SURPLUS/(DEFICIT) FOR THE YEAR		(995,418)	(1,028,475)

STATEMENT OF CHANGES IN NET ASSETS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Accumulated surplus/(deficit) R'000	Total amount R'000
Balance as at 31 March 2023	24,037,988	24,037,988
Net surplus/(loss) for the year	(1,028,475)	(1,028,475)
Balance as at 31 March 2024	23,009,513	23,009,513
Net surplus/(loss) for the year	(995,418)	(995,418)
Balance as at 31 March 2025	22,014,096	22,014,096

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Notes	2025 R'000	2024 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2,652,549	2,851,256
Grant income		2,508,611	2,506,958
Interest received		44,256	77,951
Operating period penalty income		5,858	210
Net Performance Reserve account receipts		4,533	4,186
Other income		89,164	93,434
Other income (DRT)		-	144,879
Insurance claim GMA		127	23,638
Payments		(3,387,188)	(2,933,868)
Project expenditure		(2,747,219)	(2,510,988)
DRT		(144,736)	-
Board and committee member remuneration		(6,653)	(2,295)
Employee and related costs		(258,083)	(227,992)
External audit fees		(3,996)	(3,850)
SIP expenditure		(962)	(1,221)
Operating expenditure		(225,539)	(187,521)
Net cash from operating activities	21	(734,639)	(82,612)
CASH FLOWS FROM INVESTING ACTIVITIES			
		(3,044)	(5,031)
Acquisition of property, plant and equipment		(3,044)	(5,031)
Acquisition of intangible assets		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	(1,605)
Finance lease payments		-	(1,605)
Net increase/(decrease) in cash and cash equivalents		(737,683)	(89,248)
Cash and cash equivalents at beginning of the year		893,665	982,912
Cash and cash equivalents at end of the year		155,981	893,665

Included in the Cash Flow Statement is the GMA operational revenue and expenditure per Statement of Financial Performance and restricted revenue and expenditure per notes 9, 10 and 12 on a cash basis. The R2.508 billion presented as grant income includes an amount of R2.022 billion relating to restricted project funds.

GAUTRAIN MANAGEMENT AGENCY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Note: The GMA adopted a cash basis of accounting for the preparation of the approved budget, whilst the financial statements are prepared on an accrual basis of accounting.

	Approved budget 2024/25 R'000	Revised budget 2024/25 R'000	Actual amounts on a comparable basis 2024/25 R'000	Funds from prior period and other income 2024/25 R'000	Difference between revised budget, funds from prior period and actual amounts 2024/25 R'000
Final budget appropriation	2,508,611	3,307,239	3,307,239	798,628	-
Approved budget	2,508,611	2,508,611	2,508,611	-	-
Funds from previous year	-	397,914	397,914	397,914	-
Other income – RUF and other	-	356,132	356,132	356,132	-
Other income – DLTC and TISH	-	31,731	31,731	31,731	-
Other income – (interest income, PLTC, sales and rental)	-	12,852	12,852	12,852	-
Payments	2,508,611	2,508,611	3,218,217	745,886	36,280
Project expenditure	2,022,322	2,022,322	2,709,294	687,539	567
Construction costs	-	-	-	-	-
Land costs	-	-	-	-	-
Operating payment/patronage guarantee	1,837,322	1,837,322	2,524,861	687,539	-
Operating period variations	143,000	143,000	144,087	-	(1,087)
System improvements	42,000	42,000	40,346	-	1,654
Operating and support costs	486,289	486,289	508,923	58,347	35,713
DLTC – expenditure	-	-	-	55,253	55,253
Operating expenditure	386,015	386,015	416,063	3,093	(26,954)
GMA capex costs	2,772	2,772	3,044	-	(272)
Specialised technical services	79,500	79,500	74,338	-	5,162
Legal and additional commercial costs	14,900	14,900	12,412	-	2,488
Independent monitor costs	3,102	3,102	3,065	-	36
Net receipts/budget surplus	-	-	-	745,886 *	36,280

22

* R746.0 million was spent from the previous year and other income for Patronage Guarantee and other expenses in the current year.

ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

1.1 PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

GENERAL INFORMATION

The GMA has been established in terms of the GMA Act, No. 5 of 2006, as amended and listed under Schedule 3C of the Public Finance Management Act, No. 1 of 1999, as amended (PFMA), as a Provincial Public Entity and has been operational since 1 January 2009. The overall objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project through the implementation of the Concession Agreement (CA) between the Gauteng Provincial Government and Bombela Concession Company (Pty) Ltd (The Concessionaire).

BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance with the prescribed standards of Generally Recognised Accounting Practice (GRAP), including any directives, interpretations and guidelines issued by the Accounting Standards Board (ASB), and in accordance with the PFMA. The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise.

The principal accounting policies adopted in the preparation of these Annual Financial Statements are set out below. Assets, liabilities, revenues and expenses have not been off-set except where off-setting is required or permitted by a Standard of GRAP. The accounting policies have been applied consistently in all material aspects, unless otherwise indicated. The details of any changes are explained in the relevant policy notes.

Additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the relevant legislative requirements of the PFMA.

The Cash Flow Statement is prepared on the direct cost method.

USE OF ESTIMATES AND SIGNIFICANT JUDGEMENTS

The preparation of the Annual Financial Statements in conformity with GRAP requires management to make judgements, estimates and assumptions in the process of applying the accounting policies and in reporting assets, liabilities, income and expenses. These judgements, estimates and assumptions affect the amounts represented in the Annual Financial Statements and related disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future financial periods affected.

Significant areas of estimation, complexity and critical judgements in applying accounting policies that have a material effect on the amounts recognised or disclosed in the Annual Financial Statements are:

▣ Capitalisation of the Gautrain System assets (GRAP 17, 31 and 103)

The Concession Agreement is entered between the Gauteng Provincial Government and Bombela Concession Company (Pty) Ltd and establishes a Public-Private Partnership. Bombela Concession Company (Pty) Ltd has a mandate to operate and maintain the Gautrain System during the operational phase of the Concession Agreement using the Gautrain System assets. These assets must be returned to the GMA in a predetermined condition at the end of the Concession Agreement. Complexity and critical accounting judgement is used in applying the recognition criteria of an asset, when capitalising and componentising the Gautrain System assets.

▣ Infrastructure assets (GRAP 17, 31 and 103)

The infrastructure components' fair value was determined by allocating the total cost to the components using bench mark engineering principles to ensure a fair and accurate cost distribution based on a depreciable replacement value. The total cost of infrastructure assets was determined using actual payments made during the construction of the Gautrain System assets. The cost was adjusted by construction indices until the take-on date of receiving the assets.

The condition of the asset components was assessed upon transfer to determine if an impairment event existed which may affect the transfer value. The evaluation is of a subjective nature and thus it was performed by an expert in the rail industry.

The estimated useful lives and residual values are reviewed, taking cognisance of the forecasted commercial and economic realities and benchmarking of accounting treatments in the specific industries where these assets are used.

▣ Land and servitudes (GRAP 17, 31 and 103)

GMA only has the right-of-use of the land acquired to enable construction and to operate the system. The ownership of the land resides with the Gauteng Provincial Government. Management applied significant judgement and estimation to measure the right-of-use. Land acquired to enable construction of the infrastructure assets is carried at a nominal value.

Management applied significant judgement and estimation to measure servitudes. Servitudes are recognised by the GMA at a nominal value of R1 per servitude.

▣ Useful lives and residual values (GRAP 17, 31 and 103)

Significant judgement is used in estimating the period over which an asset is expected to be available for use by the GMA and its residual value. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

Residual values for buses are estimated at 10% of their total cost.

▣ Provisions (GRAP 19)

The amount recognised as a provision is the present value of the best estimate of the expenditure required to settle the present obligation at balance sheet date.

▣ Impairment of receivables (GRAP 104)

Significant judgement is used in estimating the impairment of receivables based on past payment history, risk profile, credit reputation and market information.

▣ Segment reporting (GRAP 18)

Significant judgement is used in identifying service and geographical segments of the GMA.

PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African Rand (ZAR), which is the GMA's functional currency. All financial information presented in South African Rand has been rounded to the nearest thousand, (R'000).

Transactions in currencies other than the GMA's reporting currency are initially recorded at the exchange rate applicable on the date of the transactions. Gains and losses arising from the settlement of such transactions are recognised in the Statement of Financial Performance, or disclosed in the disclosure notes to the Annual Financial Statements if they relate to ring-fenced Project activities.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling on the date of the Statement of Financial Position. Unrealised differences on monetary assets and liabilities are recognised in the Statement of Financial Performance in the period occurred.

Any foreign exchange variance incurred during the year relating exclusively to Schedule 12 Milestones (Schedule of General Milestones and Key Milestones), as defined in the Concession Agreement, certified for payment are recognised in the Statement of Financial Position at year end as an asset or liability, and are disclosed in the disclosure notes to the Annual Financial Statements.

COMPARATIVE INFORMATION

▣ Current year comparatives (Budget)

Budget information in accordance with GRAP 1 and 24, has been provided in these Annual Financial Statements.

▣ Prior year comparatives

Where necessary comparative figures have been adjusted to conform to the changes in presentation in the current year.

GOING CONCERN ASSUMPTION

These Annual Financial Statements were prepared based on the expectation that the GMA will continue to operate as a going concern for at least the next 12 months.

1.2 PROPERTY, PLANT AND EQUIPMENT

RECOGNITION AND MEASUREMENT

The policies for property, plant and equipment is applicable to property, plant and equipment managed by the Concessionaire under the Concession Agreement.

The cost of an item of property, plant and equipment is recognised as an asset when:

- ▣ It is probable that future economic benefits associated with the item will flow to the GMA; and
- ▣ The cost of the item can be reliably measured.

All items of property, plant and equipment that qualify for recognition as assets are measured at cost. Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Costs for acquired assets include:

- ▣ The items purchase price, including import duties and non-refundable taxes, after deducting any trade discounts and rebates;
- ▣ Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner as intended by management;
- ▣ The initial estimates of the costs of dismantling and removing the item and restoring the site on which it is located, for which the GMA incurs this obligation either when the item is acquired or as a consequence of having used the item during a particular period.

The cost of self-constructed assets is determined using the same principles as those applied for an acquired asset and includes the cost of materials, direct labour and other resources incurred in constructing the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and an initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of related equipment is included in the cost of the related equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life. Property, plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and depreciated separately.

Items of capital work-in-progress are measured at cost less impairment losses. The cost of capital work-in-progress assets includes costs of material, direct labour and any other costs directly attributable to bringing the asset to a condition where it is ready for its intended use. Capital work-in-progress is ready for its intended use once a hand over certificate is issued, and at this point capital work-in-progress is recognised as an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the GMA and the cost of the item can be reliably measured.

All other costs such as day-to-day servicing and small parts are treated as repairs and maintenance and are expensed to the Statement of Financial Performance during the financial period in which they are incurred.

The depreciation charge for each period is recognised in the Statement of Financial Performance unless it is included in the carrying amount of another asset.

The initial assessments of the useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Gautrain System assets	
Land	Infinite
Infrastructure assets	5–100 years
Plant and equipment	10–35 years
Rolling stock	35 years
Buses	15 years
Commercial assets	30 years

Item	Average useful life
GMA assets	
Motor vehicles	5–8 years
Office equipment	5–12 years
Computer equipment	3–9 years
Furniture and fittings	5–12 years
Lease improvements	Over the period of the lease
Lease assets	Over the period of the lease
Drone	Hourly usage

Leasehold improvements on premises occupied under operating leases are written off over their expected useful lives or, where shorter, the term of the lease.

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful lives of assets are based on management's estimation.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the Statement of Financial Performance when the item is derecognised.

IMPAIRMENT

The GMA assesses at each reporting date whether there is indication that any item of property, plant and equipment may be impaired. If such an indication exists, the GMA estimates the recoverable service amount of the asset. In assessing whether there is any indication that an asset may be impaired, the GMA considers both external and internal sources of information.

The recoverable service amount is the higher of the asset's fair value less costs to sell, and its value in use. Value in use is the present value of the asset's remaining service potential. If either of these amounts exceeds the asset's carrying value, the asset is not impaired, and it is not necessary to determine the other amount.

If the asset's carrying value exceeds its recoverable service amount, the asset is impaired. The carrying amount of the asset is then reduced to its recoverable service amount and this reduction is the impairment loss which is charged as an expense to the Statement of Financial Performance.

REVERSAL OF IMPAIRMENT

The GMA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the GMA estimates the recoverable service amount of that asset.

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for an asset is recognised immediately in the Statement of Financial Performance.

If a reversal of an impairment loss is recognised, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

DERECOGNITION

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised in the Statement of Financial Performance when the item is derecognised.

1.3 HERITAGE ASSETS

Heritage assets are culturally significant resources. Heritage assets are measured at cost. Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

After recognition as an asset, a class of heritage assets shall be carried at its cost less any accumulated impairment losses.

A heritage asset shall not be depreciated but GMA shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, GMA shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

1.4 INTANGIBLE ASSETS

INITIAL RECOGNITION AND MEASUREMENT

Intangible assets are classified as non-monetary assets without physical substance and are only recognised when:

- It is probable that future economic benefits or service potential associated with the asset will flow to the GMA; and
- The cost or fair value of the asset can be reliably measured.

For those intangible assets with a definite useful life:

- Amortisation is recognised in the Statement of Financial Performance and is calculated on a straight-line basis over the estimated useful life of each part of the intangible asset;
- Amortisation is determined from the date the intangible asset is available for use.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by GMA for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Initial expenditure incurred is recognised and capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure is recognised in the Statement of Financial Performance as an expense when it is incurred.

All intangible assets of the GMA have been capitalised on the basis of the costs incurred in order to acquire and bring the assets into use.

SUBSEQUENT EXPENDITURE

Subsequent expenditure on capitalised intangible assets is recognised and capitalised only when the costs incurred increase the future economic benefits embodied in the specific asset to which it relates.

All other subsequent expenditure is recognised in the Statement of Financial Performance as an expense when it is incurred.

AMORTISATION

All items of intangible assets are measured at historic cost less accumulated amortisation and accumulated impairment losses.

The range of estimated useful lives are as follows:

Item	Average useful life
Gautrain System assets	
Servitudes	Infinite
GMA assets	
Computer licenses	2–8 years
Computer software	Over the period of the license

Amortisation methods and useful lives are reassessed annually and adjusted if necessary at the end of each reporting period.

Amortisation is recognised in the Statement of Financial Performance on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use.

IMPAIRMENT

Intangible assets are tested annually for impairment by comparing the carrying amount with the recoverable service amount of the intangible asset.

If the intangible asset's carrying value exceeds its recoverable service amount, the intangible asset is impaired. The carrying amount of the asset must be reduced to its recoverable service amount, and this reduction is the impairment loss which is charged as an expense to the Statement of Financial Performance.

REVERSAL OF IMPAIRMENT

The GMA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the GMA estimates the recoverable service amount of that asset.

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for an asset is recognised immediately in the Statement of Financial Performance.

After a reversal of an impairment loss is recognised, the amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

DERECOGNITION

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use.

The gain or loss arising from the derecognition of an intangible asset is determined by comparing the proceeds from disposal with the carrying amount of the intangible asset, and is recognised in the Statement of Financial Performance when the item is derecognised.

1.5 PROVISIONS AND OTHER LIABILITIES

A provision is a liability of uncertain timing or amount.

Provisions are recognised as liabilities when the GMA has a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date. The best estimate is determined by management's judgement, supplemented by experience of similar transactions and in some instances reports from independent experts.

1.6 OBLIGATIONS ARISING FROM RESTRICTED FUNDS

Liabilities are present obligations of the GMA arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits or service potential.

OBLIGATIONS ARISING FROM RESTRICTED PROJECT FUNDS

Financial transactions relating directly to the Project do not impact on the Statement of Financial Performance. Government funding received for the project is ring-fenced and applied solely to Project expenditure incurred. This is due to the fact that the GMA cannot benefit from these funds in pursuit of its objectives. Financial transactions relating to the project are disclosed in the notes to the Annual Financial Statements under 'Obligations arising from restricted project funds'.

All government funding received for the project is requested from Gauteng Provincial Treasury based on management's best estimate of Project disbursements to be incurred for the period. To the extent that funding received is in excess of project expenditure actually incurred for the year under review, it is classified as income received in advance of obligations yet to be incurred and recognised in the Statement of Financial Position as a liability.

OBLIGATIONS ARISING FROM RESTRICTED SIP FUNDS

Over the duration of the Development Period, until the contractual Anticipated Completion Date of Phase 2 (March 2011), the Concessionaire made a series of Social Investment Programme (SIP) contributions to the SIP Fund Account held by the GMA, thereby fulfilling its SIP

obligations in terms of amended SED 07, Schedule 22 of the Concession Agreement. These funds have been earmarked for social investment spend by the GMA on projects approved by the Gautrain Political Committee, with an additional focus on funds for education in the science and engineering fields.

OBLIGATIONS ARISING FROM RESTRICTED PERFORMANCE RESERVE ACCOUNT (PRA) FUNDS

The Performance Reserve Account (PRA) is funded by the Concessionaire. This account has become fully operational after OCD 2. The purpose of this account is to provide a funding mechanism for performance deductions (penalties) imposed on the Concessionaire for performance below the pre-defined performance measures specified in the Concession Agreement.

After OCD 2, the Concessionaire has paid all actual total revenue earned into the account until the prescribed balance was reached. All funds in excess of the prescribed balance are withdrawn by the Concessionaire, through the issue of an invoice to the GMA for payment of the excess amount. Only the prescribed balance is maintained in the PRA for the monthly withdrawal by the GMA of performance deductions imposed on the Concessionaire after OCD 2. The funds in this account are ring-fenced, as no other payments from or to the PRA are allowed, except as permitted by and in accordance with the Concession Agreement and as summarised above.

OBLIGATIONS ARISING FROM RESTRICTED INSURANCE PROCEEDS ACCOUNT

The Insurance Proceeds account is used for the receipt of insurance proceeds to the Concessionaire as a result of successful insurance claims for damages to the Gautrain System assets pursuant to Schedule 18 of the Concession Agreement. The insurance claims are then paid to the Concessionaire from this account after deducting GMA's share of the insurance claim. These funds are restricted, as no other payments from or to the Insurance Proceeds account are allowed, except as permitted by and in accordance with the Concession Agreement.

1.7 FINANCE LEASES

RECOGNITION

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the GMA through the lease agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

MEASUREMENT

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured at initial recognition at the lower of the fair value of the assets and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

DERECOGNITION

The finance lease liabilities are derecognised when the GMA's obligation to settle the liability has ceased. The assets capitalised under the finance lease are derecognised when the GMA no longer expects any economic benefits or service potential to flow from the asset.

1.8 COLLABORATION PROJECT FUNDS

The GMA approached the Development Bank of Southern Africa to render support to the GMA to strengthen its expertise in financial structuring, transport economics and planning as well as demand and financial model review.

The Development Bank of Southern Africa has opened a dedicated interest bearing bank account in this regard. The bank account is funded by both parties in terms of the agreement and the funds are utilised to procure expert service providers. Unutilised funds at year end are recognised in the Statement of Financial Position.

1.9 CONTINGENCIES AND COMMITMENTS

The GMA does not recognise a contingent liability. A contingent liability is disclosed in the notes to the Annual Financial Statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

A contingent liability is:

- ▣ A possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the GMA; or
- ▣ A present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits; or service potential will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Transactions are classified as commitments where the GMA commits itself to future transactions.

1.10 REVENUE (NON-EXCHANGE TRANSACTIONS)

GOVERNMENT GRANTS

Government grants comprise gross inflows of economic benefits, and are recognised as revenue when it is probable that future economic benefits will flow to the GMA and the fair value of those benefits can be reliably measured. Grants are recognised when there is reasonable assurance that they will be received, or when there is legal obligation for the grant to be paid and only to the extent that the GMA has complied with any of the stipulations or conditions, if any, attached to the grant. The GMA receives its grant from the Provincial Revenue Fund.

The portion of grant funding received, over which the GMA exercises control and discretion, or from which the GMA benefits in the pursuit of its objectives in managing the Concession Agreement and overseeing its operations, is recognised as revenue in the Statement of Financial Performance in the same period in which the GMA qualifies to receive the grant.

1.11 REVENUE (EXCHANGE TRANSACTIONS)

Revenue from exchange transactions is recognised on the accrual basis of accounting when it is probable that future economic benefits will flow to the GMA and those benefits can be reliably measured.

FINANCE INCOME

Finance income is recognised as it accrues, in the Statement of Financial Performance on a time proportionate basis using the effective interest rate method.

Finance income comprises of interest income on funds invested.

OTHER INCOME

Other income is recognised on the accrual basis when it is probable that future economic benefits will flow to the GMA and these benefits can be reliably measured.

1.12 FINANCE EXPENSES

All finance costs are recognised in the Statement of Financial Performance using the effective interest rate method.

1.13 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are benefits that are to be paid by the GMA within 12 months after the reporting date and are presented on an undiscounted basis. Short-term employee benefits in the GMA include salaries, pension contributions, bonuses and short-term compensated absences such as paid annual leave and paid sick leave.

RECOGNITION AND MEASUREMENT

When an employee has rendered services to the GMA during the reporting period, the GMA recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as:

- A liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the GMA recognises the excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund to the GMA; and
- As an expense in the Statement of Financial Performance.

SHORT-TERM COMPENSATED ABSENCES

- Accumulating compensated absences e.g. annual leave, are those that are carried forward and can be used in future periods if the current period's entitlement is not used in full. The GMA recognises the expected cost of such absences when employees render services that increases their entitlement to future compensated absences. Accumulated compensated absences are vesting, in that employees are entitled to a cash payment for unused leave entitlement on leaving the GMA.

The GMA measures the expected cost of accumulating compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

- Non-accumulating compensated absences e.g. sick leave, do not carry forward, they lapse if the current reporting period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the GMA. The GMA recognises no liability or expense until the time of the absence, because employee service does not increase the amount of the benefit.

BONUS, INCENTIVE AND PERFORMANCE RELATED PAYMENTS

- The GMA recognises a liability and an expense for the expected cost of bonus, incentive and performance related payments when it has a present legal or constructive obligation to make such payments as a result of past events; and a reliable estimate of the obligation can be made.

POST-EMPLOYMENT BENEFITS: DEFINED CONTRIBUTION PLAN RECOGNITION AND MEASUREMENT

When an employee has rendered services to the GMA during a reporting period, the GMA shall recognise the contribution payable to a defined contribution plan in exchange for that service:

- As a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the GMA shall recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- As an expense in the Statement of Financial Performance.

1.14 OPERATING LEASES

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under an operating lease shall be recognised as an expense in the Statement of Financial Performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and/or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease payments.

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the entity's right to the underlying cash flows expire or the entity no longer expects economic benefits to flow from the operating lease asset.

1.15 IRREGULAR EXPENDITURE

Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention of, or not in accordance with the GMA Supply Chain Management Policy, the PFMA, the National Treasury Regulations, the PPPFA, State Tender Board Act or any other applicable legislation providing for procurement procedures. Such expenditure is accounted for in the Statement of Financial Performance. Where recoverable and not condoned by the relevant authority, it is treated as an asset until it is recovered or written off as irrecoverable.

1.16 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is defined as expenditure that was made in vain and would have been avoided had reasonable care been exercised. Such expenditure is accounted for as expenditure in the Statement of Financial Performance and where recoverable treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

1.17 TAXES AND LEVIES

The GMA accounts for PAYE tax, deducted from employee salaries and paid over to SARS. If any other taxes or levies are required by law, then these will be collected on behalf of the government or other party in an agency capacity and would not be accounted for as revenue in the Annual Financial Statements of the GMA.

1.18 TAXATION

The GMA's income is exempt from taxation in terms of Section 10 (1)(cA) of the Income Tax Act.

1.19 RELATED PARTIES

A related party to the GMA is a person or entity with the ability to control or jointly control the GMA, or exercise significant influence over the GMA and vice versa, or an entity that is subject to common control, or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the GMA, but is not in control over those policies. A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

An entity that is a member of the Gauteng Provincial Government and is under common control of the Gauteng Provincial Legislature is related to the GMA. However, only transactions and balances of the same GMA will be disclosed.

In respect of entities, other government entities or appointed members of the government, only transactions and balances under the Executive Authority of the MEC of the Gauteng Department of Roads and Transport are disclosed. The Gauteng Department of Roads and Transport, and its entities have been identified as entities of the same GMA.

In respect of persons, a member of management of the GMA, is regarded as a related party of the GMA. Management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the GMA, including all members of the governing body of the GMA, key advisors of the governing body with the authority and responsibility for planning, directing and controlling the activities of the GMA, and the senior management team of the GMA, including the Chief Executive Officer.

If the GMA has been party to any related party transactions during the reporting period covered by the Annual Financial Statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, in order to enable users to understand the potential effect of the relationship on the financial statements. Only transactions not at arm's length are disclosed and materiality is considered in terms of the disclosure of these transactions.

1.20 SUBSEQUENT EVENTS

Events after the reporting date are those events both favourable and unfavourable that occur between the reporting date and the date when the Annual Financial Statements are authorised for issue, and are treated as follows:

- ▣ The GMA shall adjust the amounts recognised in its Annual Financial Statements to reflect adjusting events after the reporting date for those events that provide evidence of conditions that existed at the reporting date, and
- ▣ The GMA shall not adjust the amounts recognised in its Annual Financial Statements to reflect non-adjusting events after the reporting date for those events that are indicative of conditions that arose after the reporting date.

1.21 BUDGET INFORMATION

The GMA includes an additional financial statement on comparison of budget amounts and actual amounts arising from the execution of the Budget in its Annual Financial Statements, together with disclosure of the reasons for material differences between the approved budget, final budget and actual amounts. This reporting disclosure assists the GMA to discharge its accountability obligations and enhances the transparency of the Annual Financial Statements, by demonstrating compliance with the approved budget for the financial year, for which the GMA is held publicly accountable.

The Statement of Comparison of Budget and Actual Amounts presents separately, for each level of governance oversight, the approved and final budget amounts and the actual amounts on a comparable basis to the budget. The budget adopts a cash basis of accounting, whilst the Annual Financial Statements are prepared on the accrual basis of accounting. In order to assist users in understanding the application of the budget, the GMA includes a separate reconciliation of actual amounts on a comparable basis to the budget, to the actual amounts in the Annual Financial Statements (net surplus in the Statement of Financial Performance). The GMA is committed to expend funds and operate within the limits of its approved budget allocation.

1.22 SEGMENT REPORTING

A segment is an activity of the GMA that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity as well as in assessing its performance and for which separate financial information is available.

The GMA shall report separately information about each segment that has been identified.

1.23 FINANCIAL INSTRUMENTS

Financial instruments comprise cash and cash equivalents, other receivables, liabilities (accruals) and other payables.

INITIAL RECOGNITION

The GMA recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the GMA becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

GMA classifies a financial instrument, or its component parts, on initial recognition as a financial liability, a financial asset or residual interest in accordance with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset and a residual interest.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

INITIAL MEASUREMENT

When a financial instrument is recognised, the GMA measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

- Financial instruments at fair value;
- Financial instruments at amortised cost; and
- Financial instruments at cost.

DERECOGNITION

A financial asset is derecognised at trade date, when:

- The cash flows from the asset expire, are settled or waived;
 - a) Significant risks and rewards are transferred to another party; or
 - b) Despite having retained significant risks and rewards, the GMA has transferred control of the asset to another entity.
- A financial liability is derecognised when the obligation has ceased. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

GAINS AND LOSSES

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in Statement of Financial Performance.

OFFSETTING

The GMA does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

IMPAIRMENT

All financial assets measured at amortised cost, fair value or cost, are subject to an impairment review. The GMA assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

FINANCIAL ASSETS HELD AT AMORTISED COST

The GMA first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the GMA determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the financial asset's original effective interest rate i.e. the effective interest rate computed at initial recognition. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised as an expense in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the Statement of Financial Performance.

FINANCIAL ASSETS HELD AT COST

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recognised at fair value.

Cash and cash equivalents comprise cash at the bank including deposits held at call with banks. These are short-term, highly liquid investments, readily convertible into known amounts of cash, held with registered banking institutions, and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash at the bank including deposits held on call with banks.

RECEIVABLES

Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

A provision for impairment of receivables is made when there is objective evidence that the GMA will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of any debtor, probability that the debtor will be bankrupt or under financial administration, and default or delinquency in payments, are considered indicators that the receivable is impaired, and that a provision should be raised.

The provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted using the effective interest rate and is recognised in the Statement of Financial Performance. Uncollectable debts are written off against the provision. Subsequent recoveries of amounts previously written off are recognised in the Statement of Financial Performance.

PAYABLES

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

1.24 FINANCIAL RISK MANAGEMENT

The entities activities expose it to the following risks:

- Credit risk;
- Liquidity risk; and
- Market risk.

The GMA Board has overall responsibility for the establishment and oversight of the GMA's Risk Management Framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the GMA's risk management policies. The Committee reports regularly to the Board on its activities. The GMA's risk management policies and systems are established to identify and analyse the risks faced by the GMA, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the GMA's activities. The GMA has a fundamental objective in maintaining a disciplined and constructive control environment in which all appointed officials understand their roles and obligations in relation to the GMA's overall risk management framework, policy, systems and processes.

This policy presents information about the GMA's exposure to each of the above risks, the GMA's objectives, policies and processes for measuring and managing risk and the GMA's management of capital, assets and liabilities. Further quantitative disclosures are included in the notes to the Annual Financial Statements.

(A) CREDIT RISK

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as committed transactions. Banks and financial institutions with an acceptable independent rating are accepted.

(i) Deposits

The GMA limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable independent credit rating. Management does not expect any counterparty to fail to meet its obligations with regards to the GMA deposits.

(B) LIQUIDITY RISK

Cash flow forecasting is performed on a monthly basis. This rolling forecast is monitored for liquidity requirements to ensure the GMA has sufficient cash to meet the Project's monthly financial obligations as they fall due. Surplus cash held is invested in an interest bearing current account.

(C) MARKET RISK

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The GMA ensures that it reviews its cash management strategies to ensure finance income is maximised.

(i) Foreign exchange risks

In terms of the Schedule 12 Milestone payments, the GMA is not exposed to any foreign exchange risk, as National Treasury has accepted full responsibility for foreign exchange variances that the Gautrain Project is exposed to on the translation effect of the foreign denominated components, Euro and Pound, of payments certified.

(ii) Price risks

The GMA does not hold equity security and is therefore not exposed to equity security price risk. The GMA is also not exposed to any commodity price risk.

(iii) Interest rate risks

As the GMA has no significant interest-bearing assets, the GMA's income and operating cash flows are substantially independent of changes in market interest rates.

1.25 ACCOUNTING BY PRINCIPALS AND AGENTS (GRAP 109)

(A) IDENTIFICATION WHETHER AN ENTITY IS A PRINCIPAL OR AN AGENT

Agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal. A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit. A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

When the GMA is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the GMA is a principal or an agent requires the GMA to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

(B) BINDING ARRANGEMENT

The GMA assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement. Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

(C) ASSESSING WHICH ENTITY BENEFITS FROM THE TRANSACTIONS WITH THIRD PARTIES

When the GMA in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the GMA concludes that it is not the agent, then it is the principal in the transactions.

The GMA is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- (1) It does not have the power to determine the significant terms and conditions of the transaction.
- (2) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (3) It is not exposed to variability in the results of the transaction.

Where the GMA has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The GMA applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the GMA is an agent.

(D) RECOGNITION

The GMA, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP. The GMA, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP. The GMA recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.26 NEW STANDARDS AND INTERPRETATIONS

(A) EARLY ADOPTION OF STANDARDS AND INTERPRETATIONS: APPROVED BUT NOT EFFECTIVE IN THE CURRENT YEAR

None

(B) NEW STANDARDS AND INTERPRETATIONS: APPROVED BUT NOT EFFECTIVE IN THE CURRENT YEAR

The impact of this is currently being assessed by management.

Standards of GRAP	Details of the amendment to the Standards and the anticipated impact	Financial period
GRAP 1: Presentation on Financial Statements	The new standard amendments prescribe what events or conditions may management consider when assessing going concern and material uncertainties.	No effective date
GRAP 103: Heritage Assets	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Heritage Assets.	No effective date
GRAP 104: Financial Instruments	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Financial Instruments.	No effective date
GRAP 105: Transfer of Functions Between Entities Under Common Control	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Transfer of Functions Between Entities Under Common Control.	No effective date
GRAP 106: Transfer of Functions Between Entities Not Under Common Control	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Transfer of Functions Between Entities Not Under Common Control.	No effective date
GRAP 107: Mergers	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Mergers.	No effective date
Amendments	Improvements to Standards of GRAP prescribe the principles for recognising, measuring, presenting and disclosing Standards of GRAP.	No effective date

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. CASH AND CASH EQUIVALENTS

	2025 R'000	2024 R'000
Bank – Current account	43,464	785,777
Social Investment Programme funds	21,368	20,673
Performance Reserve Account funds	90,687	86,786
Insurance Proceeds account	462	429
Total	155,982	893,665

Cash and cash equivalents consists of all cash balances of the GMA's various bank accounts held with Absa Bank Limited.

There are restrictions on the SIP Funds Account, Performance Reserve Account Funds and the Insurance Proceeds Account Funds. Please refer to 1.6 in the accounting policy for more detail.

3. RECEIVABLES (EXCHANGE TRANSACTIONS)

3.1 RECEIVABLES (EXCHANGE TRANSACTIONS) – CURRENT ASSETS

	2025 R'000	2024 R'000
Accrued income	1,462	5,394
Accrued interest income	886	3,730
Accrued interest income – SIP funds	12	146
Accrued bus savings	558	368
Accrued interest on bus savings	6	1,149
Other receivables	1,208,949	11,515
TAG receivable	8,493	8,479
G-Fleet receivable	-	1,430
DLTC receivable	373	94
Zurich Insurance claim	1,200,000	-
Collaboration project funds – DBSA	83	1,512
Prepayments	1,277	1,852
Operating expenditure	1,277	1,852
Operating lease		
Operating lease	749	1,983
Total	1,212,437	20,743

3. RECEIVABLES (EXCHANGE TRANSACTIONS) (continued)

3.1 RECEIVABLES (EXCHANGE TRANSACTIONS) – CURRENT ASSETS (continued)

	2025 R'000	2024 R'000
Operating lease		
Reconciliation – Movement during the year:		
Opening balance	1,982	2,471
Movement	(1,233)	(488)
Closing balance	749	1,982

Refer to note 23 on details of the operating lease.

3.2 RECEIVABLES (EXCHANGE TRANSACTIONS) – NON-CURRENT ASSETS

	2025 R'000	2024 R'000
Deposit	3,164	3,023
Rental deposit	2,173	2,173
Interest accrued on rental deposit	991	850
Total	3,164	3,023

4. PROPERTY, PLANT AND EQUIPMENT

	2025 R'000	2024 R'000
Gautrain System assets	22,368,186	23,319,211
GMA assets	21,939	17,354
	22,390,125	23,336,565

4. PROPERTY, PLANT AND EQUIPMENT (continued)

4.1 GAUTRAIN SYSTEM ASSETS

	2025			2024		
	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Land	4,379	-	4,379	4,379	-	4,379
Infrastructure assets	30,438,700	11,176,964	19,261,736	30,405,848	10,368,535	20,037,313
Plant and equipment	434,025	231,816	202,209	434,025	212,735	221,290
Rolling stock	4,017,464	1,403,755	2,613,709	4,017,464	1,285,952	2,731,512
Buses	441,366	162,272	279,094	441,366	123,957	317,409
Commercial assets	7,742	676	7,066	7,742	435	7,307
	35,343,676	12,975,483	22,368,186	35,310,824	11,991,614	23,319,211
Work-in-progress included in the above amount/assets						
Infrastructure assets – WIP	117,877	-	117,877	92,883	-	92,883
Commercial assets – WIP	7,855	-	7,855	-	-	-
Reconciliation – 2025	Opening balance R'000	Additions R'000	Capitalisation R'000	Write-off R'000	Depreciation R'000	Closing balance R'000
Land	4,379	-	-	-	-	4,379
Infrastructure assets	19,944,433	24,994	-	-	808,429	19,160,998
Plant and equipment	221,289	-	-	-	19,080	202,209
Rolling stock	2,731,513	-	-	-	117,803	2,613,710
Buses	317,407	-	-	-	38,315	279,092
Commercial assets	7,307	7,855	-	-	241	14,921
Carrying value – 2025	23,319,211	32,849	-	-	983,868	22,368,186
Work-in-progress included in the above amount/assets						
Infrastructure assets – WIP	92,883	24,994	-	-	-	117,877
Commercial assets – WIP	-	7,855	-	-	-	7,855

4. PROPERTY, PLANT AND EQUIPMENT (continued)

4.1 GAUTRAIN SYSTEM ASSETS (continued)

Reconciliation – 2024	Opening balance R'000	Additions R'000	Capitalisation R'000	Write-off R'000	Depreciation R'000	Closing balance R'000
Land	4,379	-	-	-	-	4,379
Infrastructure assets	20,806,791	36,925	(1,750)	-	808,158	19,944,433
Plant and equipment	240,371	-	4	-	19,078	221,289
Rolling stock	2,849,314	-	(2)	-	117,803	2,731,513
Buses	355,470	3,538	633	2,623	38,345	317,407
Commercial assets	7,548	-	-	-	241	7,307
Carrying value – 2024	24,263,873	40,463	(301)	2,623	983,624	23,319,211

Work-in-progress included in the above amount/assets

Infrastructure assets – WIP	61,391	31,490	2	-	-	92,883
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The GMA has received the approval of the Executive Authority: MEC for the Gauteng Department of Roads and Transport, for the transfer of the Gautrain System assets to the GMA, effective 1 July 2013, in accordance with the Public Finance Management Act, Section 42 and the Gautrain Management Agency Act, Section 31.

GMA only has the right to use the land acquired to enable construction and operate the Gautrain System. GMA cannot dispose of the land nor can it use the land for any other purpose other than operating the Gautrain System. The ownership of the land resides with the Gauteng Provincial Government. Land is thus recognised at a nominal value of R1 per square meter.

As per the CA, the Concessionaire must replace the Dedicated Feeder and Distribution Services (buses) that are 10 years or older. In line with this, the Concessionaire managed to change 118 buses and is currently in the process of refurbishing the remaining seven buses.

4.2 GMA ASSETS

Summary	2025			2024		
	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Motor vehicles	3,145	1,350	1,795	-	-	-
Office equipment	5,028	3,795	1,233	4,742	3,532	1,210
Computer equipment	32,706	20,956	11,750	27,623	18,336	9,287
Furniture and fittings	9,134	5,667	3,467	9,139	4,173	4,966
Leasehold improvements	17,760	15,717	2,043	15,767	15,579	188
Leased office equipment	3,258	1,920	1,338	2,598	1,204	1,394
Drone	311	-	311	311	-	311
Total	68,197	48,055	21,939	60,180	42,824	17,354

4. PROPERTY, PLANT AND EQUIPMENT (continued)

4.2 GMA ASSETS (continued)

Reconciliation – 2025	Opening balance R'000	Additions R'000	Capitalised R'000	Write-off R'000	Depreciation R'000	Closing balance R'000
Motor vehicles	-	2,198	-	-	403	1,795
Office equipment	1,209	312	-	-	273	1,249
Computer equipment	9,288	5,687	-	349	2,891	11,735
Furniture and fittings	4,966	-	-	3	1,496	3,467
Leasehold improvements	180	1,993	-	-	138	2,035
Leased office equipment	1,400	1,518	-	109	1,464	1,346
Drone	311	-	-	-	-	311
Carrying value – 2025	17,354	11,708	-	461	6,664	21,939

Reconciliation – 2024	Opening balance R'000	Additions R'000	Capitalised R'000	Write-off R'000	Depreciation R'000	Closing balance R'000
Motor vehicles	-	-	-	-	-	-
Office equipment	1,260	209	(5)	-	255	1,209
Computer equipment	8,650	3,156	105	86	2,537	9,288
Furniture and fittings	5,496	843	25	-	1,398	4,966
Leasehold improvements	-	188	-	-	8	180
Leased office equipment	1,201	1,587	16	127	1,277	1,400
Drone	-	311	-	-	-	311
Carrying value – 2024	16,607	6,293	141	213	5,474	17,354

The terms of the leased office equipment is disclosed in note 8. All other GMA assets are owned by the GMA and are not secured.

5. HERITAGE ASSETS

5.1 GAUTRAIN SYSTEM ASSETS

	2025			2024		
	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Infrastructure heritage asset	3,295	-	3,295	3,295	-	3,295
	3,295	-	3,295	3,295	-	3,295

5. HERITAGE ASSETS (continued)

5.1 GAUTRAIN SYSTEM ASSETS (continued)

	Opening balance R'000	Transfers R'000	Disposals R'000	Write-off R'000	Depreciation R'000	Closing balance R'000
Reconciliation – 2025						
Infrastructure heritage asset	3,295	-	-	-	-	3,295
Carrying value – 2025	3,295	-	-	-	-	3,295
	Opening balance R'000	Transfers R'000	Disposals R'000	Write-off R'000	Depreciation R'000	Closing balance R'000
Reconciliation – 2024						
Infrastructure heritage asset	3,295	-	-	-	-	3,295
Carrying value – 2024	3,295	-	-	-	-	3,295

The fair value of the heritage asset approximates the carrying value of the heritage asset. The heritage asset comprises of an old shed at the Pretoria Station which is in a good condition. The shed has been painted and converted to a bus terminal for the station.

6. INTANGIBLE ASSETS

	2025 R'000	2024 R'000
Gautrain System assets	1	1
	1	1

6.1 GAUTRAIN SYSTEM ASSETS

	2025			2024		
	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Servitudes	1	-	1	1	-	1
	1	-	1	1	-	1
	Opening balance R'000	Transfers R'000	Disposals R'000	Write-off R'000	Depreciation R'000	Closing balance R'000
Reconciliation – 2025						
Servitudes	1	-	-	-	-	1
Carrying value – 2025	1	-	-	-	-	1

6. INTANGIBLE ASSETS (continued)

6.1 GAUTRAIN SYSTEM ASSETS (continued)

Reconciliation – 2024	Opening balance R'000	Transfers R'000	Disposals R'000	Write-off R'000	Depreciation R'000	Closing balance R'000
Servitudes	1	-	-	-	-	1
Carrying value – 2024	1	-	-	-	-	1

The Gauteng Department of Roads and Transport has transferred the use of 795 servitudes to the GMA which are recognised at a nominal value of R1 per servitude. These servitudes will not be depreciated as they have an indefinite useful life.

7. PAYABLES (EXCHANGE TRANSACTIONS)

7.1 PAYABLES (EXCHANGE TRANSACTIONS) – CURRENT LIABILITIES

	2025 R'000	2024 R'000
Accrued payables	499,119	286,420
Accrued project expenditure	425,970	264,725
TISH receipts	-	2,475
Accrued operational expenditure	73,149	19,220
Other payables	70,021	53,114
Accrued leave, pension and bonus expenditure	69,519	52,936
DLTC accrued leave	502	178
Total	569,140	339,534

8. FINANCE LEASE LIABILITY

	2025		
	Minimum lease payment R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Amounts payable under finance leases – 2025			
Within one year	1,116	209	1,325
Within two to five years	244	9	253
Total finance lease liability	1,359	218	1,577
Less: Amount due for settlement within 12 months (current portion)	(1,116)	(209)	(1,325)
Total non-current lease liability	244	9	253

The lease term varied between one and two years and the average effective borrowing rate applied is 11.75%. Interest rates are not fixed. All leases have fixed repayment terms.

8. FINANCE LEASE LIABILITY (continued)

	2024		
	Minimum lease payment R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Amounts payable under finance leases – 2024			
Within one year	957	112	1,068
Within two to five years	408	19	427
Total finance lease liability	1,364	131	1,495
Less: Amount due for settlement within 12 months (current portion)	(957)	(112)	(1,068)
Total non-current lease liability	408	19	427

The average lease term is two years and the average effective borrowing rate is 11.25% (linked to prime interest rate). All leases have fixed repayment terms.

9. OBLIGATIONS ARISING FROM RESTRICTED SIP FUNDS

	2025 R'000	2024 R'000
Social Investment Programme Fund (SIP)	21,295	20,735
Total	21,295	20,735
Reconciliation – Movement during the year: <i>(Includes all accrued income and expenditure)</i>		
Obligation at the beginning of the year	20,735	20,166
Add: Interest income	1,521	1,762
Less: Expenditure	(960)	(1,193)
Obligation at the end of the year	21,295	20,735

10. OBLIGATIONS ARISING FROM RESTRICTED PROJECT FUNDS

	2025 R'000	2024 R'000
Provincial grants		
MTEF equitable share	765,072	369,840
Private sector		
Private sector	202,623	183,498
Total	967,695	553,338
Reconciliation – Movement during the year:		
Obligation at the beginning of the year	553,338	804,292
Add: Project funds received during the year – capital	3,618,892	2,622,511
Less: Project expenditure paid during the year – capital	(3,204,536)	(2,873,464)
Obligation at the end of the year	967,695	553,338

10. OBLIGATIONS ARISING FROM RESTRICTED PROJECT FUNDS (continued)

10.1 PROJECT FUNDS RECEIVED DURING THE YEAR

	2025 R'000	2024 R'000
Project income earned (includes all accrued income)		
Public sector	2,022,322	2,136,307
MTEF equitable shares	2,022,322	2,136,307
Private sector	1,596,571	486,205
Performance deductions	5,858	210
Rental income	1,562	1,446
Interest on bus savings	10,148	13,202
Bus savings	8,977	8,860
Interest on RUF	7,563	44,601
RUF revenue	362,463	417,886
Insurance claim	1,200,000	-
Total	3,618,892	2,622,511

10.2 PROJECT EXPENDITURE INCURRED DURING THE YEAR

	2025 R'000	2024 R'000
Project expenditure incurred (includes all accrued expenditure)		
Operating period variation costs	70,021	36,439
System improvements and repairs	82,889	46,582
Patronage guarantee cost	3,051,626	2,790,443
Total	3,204,536	2,873,464

10.3 ANALYSIS OF THE MOVEMENT DURING THE YEAR

	2025 R'000	2024 R'000
Provincial – MTEF equitable share		
Obligation at the beginning of the year	(608,793)	126,708
Add: Current year receipts	2,022,322	2,136,307
Less: Project expenditure	(3,197,116)	(2,871,808)
	(1,783,587)	(608,793)
Other private sector income		
Add: Obligation at the beginning of the year	288,099	221,436
Add: Performance deductions	5,858	210
Add: Rental income	1,562	1,446
Add: Interest on bus savings	10,148	13,202
Add: Interest on RUF	7,563	44,601
Add: Bus savings	8,977	8,860
Less: Project expenditure	(7,420)	(1,656)
	314,787	288,099

11. PROVISIONS

	2025 R'000	2024 R'000
Land provision	5,433	5,433
Total	5,433	5,433

Provisions are raised due to the degree of estimation used to measure the obligations. The outflow of resources are expected to be within 12 months.

	2025 R'000	2024 R'000
Land provision		
Reconciliation – Movement during the year:		
Opening balance	5,433	5,433
Less: Provision utilised	-	-
Closing balance	5,433	5,433

12. OBLIGATIONS ARISING FROM RESTRICTED CONCESSIONAIRE FUNDS

	2025 R'000	2024 R'000
Obligations arising from:		
- Restricted Performance Reserve Account funds	91,317	87,445
- Restricted Insurance Proceeds funds	464	432
	91,781	87,877
Obligations arising from restricted Performance Reserve Account funds		
<i>(Includes all accrued income and expenditure)</i>		
Restricted Performance Reserve Account	91,317	87,445
Total	91,317	87,445

The Performance Reserve account is funded by the Concessionaire. The balance to be maintained in the account is calculated in terms of the Concession Agreement. These funds are ring-fenced and restricted, as no other payments from or to the Performance Reserve account are allowed, except as permitted by and in accordance with the Concession Agreement. The purpose of this account is to provide a funding mechanism for performance deductions (penalties) imposed on the Concessionaire for performance below performance measures specified in the Concession Agreement.

12. OBLIGATIONS ARISING FROM RESTRICTED CONCESSIONAIRE FUNDS (continued)

	2025 R'000	2024 R'000
Obligations arising from Restricted Insurance Proceeds funds		
Restricted Insurance Proceeds account	464	432
Total	464	432
Reconciliation – Movement during the year: <i>(Includes all accrued income and expenditure)</i>		
Obligation at the beginning of the year	432	401
Add: Interest income	33	31
Total	464	432

The Insurance Proceeds account is used for the receipt of insurance proceeds to the Concessionaire as a result of successful insurance claims from the Gautrain System assets pursuant to Schedule 18 of the Concession Agreement. These funds are restricted.

13. OTHER LIABILITIES (EXCHANGE TRANSACTIONS)

	2025 R'000	2024 R'000
Other liabilities (Exchange transactions) – Current liability		
Rental deposit payable	130	130
IFM Project Funds	83,911	84,477
DLTC Payables/AARTO	407	1,224
DLTC Payables/Dept	9,201	8,803
DRT Payables	(0)	144,734
Other liabilities (Exchange transactions) – Current liability	93,648	239,367
Other liabilities (Exchange transactions) – Non-current liability		
Gym Operating lease liability	317	-
DLTC Operating lease liability	22	-
Total	338	-
Rental deposit payable		
Reconciliation – Movement during the year:		
Opening balance	130	130
Closing balance	130	130

14. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	2025 R'000	2024 R'000
MTEF funding	486,290	302,332
Sub-total	486,290	302,332

15. REVENUE FROM EXCHANGE TRANSACTIONS

	2025 R'000	2024 R'000
Finance income	14,559	60,269
Other income	1,699	40,351
Insurance claim GMA	127	23,638
Management support and other income	1,570	16,711
Proceeds on sale of assets	2	2
DLTC licences and permits	30,076	23,981
Drivers licences	15,207	17,377
Drivers licences permit	4,624	3,682
Management fee/traffic fines	492	232
PDP permits and other income	5,459	2,470
PDP MVL	3,463	219
Learners licenses	831	-
Total	46,335	124,601

GMA entered into Principal agent agreement with the Department of Roads and Transport to assist in clearing the backlog of driving licence renewal and professional driving permits for a period of five years with an option to renew for further five years on same terms and conditions, unless otherwise terminated or extended in accordance of this Agreement. The GMA has been appointed as agent to render the above-mentioned Grade F Driving Testing Centre for Smart Licensing services Expansion programme and Townships, Informal Settlement and Hostels (TISH) services.

16. BOARD MEMBERS AND OTHER COMMITTEE MEMBERS' REMUNERATION

Board member remuneration – 2025

Names of Board members	2025			
	Retention fees R'000	Board fees R'000	Other expenses R'000	Total remuneration R'000
Prof. MP Ntsobi	296	346	39	681
Mrs YM Matolong	222	482	6	710
Adv. KG Maja	222	556	6	785
Mr IB Sibisi	222	426	7	655
Mr B Mpondo	222	595	4	821
Mr DK Golding	222	490	6	718
Ms M Luthuli	222	569	2	792
Ms L Mtiya	222	510	3	736
Total	1,851	3,974	73	5,899

Audit and Risk Committee remuneration – 2025

Names of Audit and Risk Committee members	2025		
	Attendance fees R'000	Other expenses R'000	Total remuneration R'000
Mr B Mpondo	101	-	101
Mrs YM Matolong	119	-	119
Adv. KG Maja	119	-	119
Mr IB Sibisi	122	-	122
Mr DK Golding	121	-	121
Ms L Mtiya	67	-	67
Ms M Luthuli	87	-	87
Total	737	-	737

Total Board members' and other Committee members' remuneration – 2025

6,636

16. BOARD MEMBERS AND OTHER COMMITTEE MEMBERS' REMUNERATION (continued)

Board member remuneration – 2024

Names of Board members	2024			
	Retention fees R'000	Board fees R'000	Other expenses R'000	Total remuneration R'000
Mr M Mokoena (Chairperson)	135	154	1	290
Ms P Moloto-Stofile	68	105	1	173
Mr A Mawela	69	108	2	179
Mr D Nadison	68	112	6	185
Dr P Dala	78	135	-	212
Ms R Mabusela-Jonga	78	113	2	192
Ms L Mtiya	90	193	3	286
Prof. MP Ntsohi	45	77	4	125
Mrs YM Matolong	23	91	4	118
Adv. KG Maja	23	73	3	99
Mr IB Sibisi	23	72	4	99
Mr B Mpondo	23	87	3	112
Mr DK Golding	23	71	2	96
Ms M Luthuli	23	67	2	91
Total	764	1,456	37	2,258

Audit and Risk Committee remuneration – 2024

Names of Audit and Risk Committee members	2024		
	Attendance fees R'000	Other expenses R'000	Total remuneration R'000
Mr A Mawela	26	-	26
Dr P Dala	18	-	18
Ms R Mabusela-Jonga	17	-	17
Adv. KG Maja	8	-	8
Mr IB Sibisi	8	-	8
Mr B Mpondo	8	-	8
Mr DK Golding	8	-	8
Ms M Luthuli	8	-	8
Total	99	-	99

Total Board members' and other Committee members' remuneration – 2024

2,357

17. EXECUTIVE MANAGEMENT REMUNERATION

		2025					
		Basic salary R'000	Company contributions R'000	Bonus R'000	Acting allowances R'000	Lump sums R'000	Total remuneration R'000
Mr T Kgobe	CEO	6,811	868	1,938	1,419	-	11,037
Mr V Shange	Acting COO	2,087	326	707	522	-	3,642
Mr R. Pillay	CCO	3,353	471	978		-	4,802
Mr P Mabena	CFO	4,386	588	1,650	914	-	7,538
Mr N Magoai	SEM: Legal	3,342	470	1,028	-	-	4,839
Ms P Yende	SEM: Corporate Services	3,196	422	1,040	-	-	4,657
Miss NF Lugisani	Chief Information and Digital Officer	3,574	484	1,126	-	-	5,183
Mr S Mabaso	SEM: Technical Services	3,496	485	1,024	-	-	5,005
Mr RA Modise	SEM: Communications and Marketing	3,149	443	638	-	-	4,229
Total		33,393	4,557	10,129	2,854	-	50,933

Bonuses are paid in arrears, thus the amounts disclosed above related to bonuses paid for the prior financial period.

		2024					
		Basic salary R'000	Company contributions R'000	Bonus R'000	Acting allowances R'000	Lump sums R'000	Total remuneration R'000
Mr W Dachs	CEO	5,331	669	1,973	-	-	7,973
Mr T Kgobe	COO (Apr 23–Jan 24)	3,721	502	1,687	-	-	5,909
Mr T Kgobe	CEO (Feb 24–Mar 24)	1,066	138	-	-	-	1,205
Mr R Pillay	CCO	3,032	433	849	-	-	4,314
Mr P Mabena	CFO	4,037	551	1,448	-	-	6,036
Mr N Magoai	SEM: Legal	2,947	423	923	-	-	4,293
Dr B Jensen Vorster	SEM: Communications and Marketing (Apr 23)	240	33	874	-	-	1,146
Ms P Yende	SEM: Corporate Services	2,724	369	840	-	-	3,933
Mrs NF Lugisani	Chief Information and Digital Officer	3,323	451	1,086	-	-	4,860
Mr S Mabaso	SEM: Technical Services	3,250	459	785	-	-	4,494
Mr RA Modise	SEM: Communications and Marketing (May 23–Mar 24)	2,063	313	-	-	-	2,376
Total		31,733	4,341	10,464	-	-	46,538

Bonuses are paid in arrears, thus the amounts disclosed above related to bonuses paid for the prior financial period.

18. EMPLOYEE COSTS

	2025 R'000	2024 R'000
Salaries, bonuses and allowances	237,122	208,650
Increase/(decrease) in leave accrual	2,481	2,230
Increase/(decrease) in bonus accrual	14,089	9,984
Leave paid	524	766
Provident fund contributions and subsidy	17,168	16,193
Employer contributions	2,468	2,209
Total	273,852	240,032

19. DEPRECIATION AND AMORTISATION COSTS

	2025 R'000	2024 R'000
Depreciation	990,537	989,100
Gautrain System assets	983,873	983,626
GMA assets	6,664	5,474
Total	990,537	989,100

20. GMA OPERATIONAL EXPENDITURE

	2025 R'000	2024 R'000
Project support consultants – Transaction advisors	19,567	15,102
Technical costs, communication and public relations and land procurement	2,982	3,811
Commercial costs	16,585	11,291
Independent monitor costs	3,122	2,889
Independent socio-economic monitor costs	3,122	2,889
Travel, accommodation, entertainment and subsistence	4,251	669
Recruitment costs	776	1,924
Employee wellness	889	465
Loss of assets due to write-offs, donations and theft	461	2,836
Training and membership fees	27,134	8,051
Maintenance costs	112	252
Audit fees	3,839	3,601
Marketing and communication initiatives	31,123	21,605
Consultant costs	89,284	102,765
Building rent and utilities	19,507	17,426
Office running costs	5,112	5,623
Insurance costs	3,126	2,857
IT related costs	28,318	20,104
Corporate affairs	292	618
Gym expenses	1,595	779
Knowledge management	3,053	1,495
Total	241,561	209,061

20. GMA OPERATIONAL EXPENDITURE (continued)

20.1 DLTC EXPENDITURE

	2025 R'000	2024 R'000
DLTC expenses		
Bank charges	1,129	813
Licences card orders	-	6,021
AARTO/traffic fines	-	-
Paycost – Emp – Salaries	9,014	4,929
Employee – Training	15	309
Stationery	869	831
Comms – Exhibitions	-	31
Recruitment cost	201	130
Utilities	1,930	330
Paycost – Emp – Overtime	854	589
Paycost – General reimbursement	183	64
Paycost – Leave pay	330	(40)
Paycost – Emp – CC UIF	89	48
Storage fees	75	55
Cleaning	202	87
Consultants	-	495
Motor vehicle licences	0	-
GMA DLTC – Paycost – Emp – Bon	399	-
	15,290	14,693

21. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS

	2025 R'000	2024 R'000
Net deficit per the Statement of Financial Performance	(995,418)	(1,028,475)
Adjusted for:		
Amortisation	-	-
Depreciation	990,537	989,100
Increase in provisions relating to employee cost (leave accrual)	2,481	2,230
Increase in provisions relating to employee cost (bonus accrual)	14,089	9,984
Items shown separately on the face of Cash Flow Statement	(386,424)	(473,002)
GMA RUF revenue	(362,463)	(417,886)
PRO Interest income – Project	(7,563)	(44,601)
PRO other income – Performance	(5,858)	(210)
PRO other income – Bus savings	(8,977)	(8,860)
PRO other income – Rental Inco	(1,562)	(1,446)
Other non-cash items related to assets:	(469,827)	(4,487)
Write-off of assets, donations, profit/loss on sale of assets	461	(1,201)
Finance costs	166	164
Lease and other movement/assets addition	(470,454)	(3,451)
Projects income cash related:	798,628	426,724
Funds from previous year	798,628	426,724
Increase/(decrease) in current liabilities	499,398	(23,972)
Increase/(decrease) in non-current liabilities	3,730	7,471
(Increase)/decrease in receivables	(1,191,835)	11,814
Net cash inflows from operating activities	(734,639)	(82,612)

Included in the Cash Flow Statement is the GMA operational revenue and expenditure per Statement of Financial Performance and restricted revenue and expenditure per notes 9, 10 and 12 on a cash basis.

22. RECONCILIATION OF THE BUDGET TO ACTUAL AMOUNTS IN THE STATEMENT OF FINANCIAL PERFORMANCE

	2025 R'000
Net deficit per the Statement of Financial Performance	(995,418)
Base adjusted for:	
Amortisation	-
Depreciation	990,537
Other non-cash items related to assets:	328,636
Write-off of assets, donations, profit/loss on sale of assets	461
Funds from previous year	798,628
Lease and other movement/assets addition	(470,454)
Increase/(decrease) in current liabilities	499,398
Increase in non-current liabilities	3,730
(Increase)/decrease in receivables	(1,191,835)
Cash flows from operating activities	(364,951)
Net cash from investing activities	(3,044)
Acquisition of property, plant and equipment	(3,044)
Acquisition of intangible assets	-
Net cash from financing activities	(4,089)
Finance lease payments	(4,089)
Net increase in cash and cash equivalents	(737,683)
Other items not included in the budget:	81,640
Interest income	44,256
Security budget	-
Bus savings received	8,787
Net SIP fund expenditure	(960)
Net performance reserve account receipts	4,533
Other income	24,895
Insurance income and proceeds on sale of assets	129
Net surplus/(deficit) before project funds from previous period	81,640
Less: Funds from previous period	(45,360)
Net receipts	36,280

The period covered by the approved budget is the same as the period covered by the financial statements. The GMA adopted a cash basis of accounting for the preparation of the approved budget, whilst the financial statements are prepared on an accrual basis of accounting.

23. CONTINGENCIES AND COMMITMENTS

23.1 COMMITMENTS

At year end the commitments relating to development expenditure were mainly due to land expenditure for land proclaimed and expropriated for the railway reserve, and variations. These expenses are raised as a liability presented in note 10 – obligations arising from restricted project funds, and in note 11 – provisions.

Patronage Guarantee

Patronage Guarantee is paid monthly to the Concessionaire. The amount paid is the difference between Minimum Required Total Revenue (the yearly income required by the Concessionaire to cover all its annualised costs and is set in the Concession Agreement) and the Actual Total Revenue (the actual revenue collected in the operations of the system as defined in the Concession Agreement). It is foreseen that the Patronage Guarantee will be paid for the next 12 months. GMA expects the PG to grow at CPI given that growth has now stabilised and the MRTR increases at a rate above inflation. The Patronage Guarantee payment for the 2024/25 financial year is disclosed in note 10. GMA had planned to transport 8,182,572 rail passengers and 2,598,925 bus passengers. GMA have managed to transport 7,860,068 rail passengers and 2,381,914 bus passengers by year end. The Patronage Guarantee exposure is capped as per the Concession Agreement (Minimum Required Total Revenue less the Concessionaire Demand Forecast).

	Contract end date	2025 R'000	2024 R'000
Contractual commitments			
Information technology goods and services	2025	13,399	7,312
General consultants	2025	89,181	17,559
Technical consultants	Time driven	37,607	72,392
Communication and marketing initiatives	2025	24,414	36,793
Capital commitments			
Capital variations commitments		25,221	52,870
		189,822	186,927

23.2 OPERATING LEASE COMMITMENTS

	2025 R'000	2024 R'000
Total future minimum lease payments due:	6,303	15,758
- within one year	6,303	9,455
- within two to five years	-	6,303
	6,303	15,758

The GMA entered into a seven year office lease agreement, which commenced on 1 April 2013 and terminates on 31 March 2021, and provides for an escalation of rental of 8.5% per annum. Further additional office space was acquired from the 1 December 2018 and terminates on 30 November 2022, and provides for an annual escalation of 8% over the period of the lease. The lease was amended from 1 August 2020 and terminates on 31 July 2023 and provides for an annual escalation between 8% and 9% over the period of the lease. Further more this lease was extended for a period of three years commencing from 1 December 2022 ending 30 November 2025 and provides for an annual escalation of 7.5% over the remaining period. The cost of the lease is straight-lined over the period of the lease.

23. CONTINGENCIES AND COMMITMENTS (continued)

23.3 OPERATING LEASE COMMITMENTS

	2025 R'000	2024 R'000
Total future minimum lease payments due:	3,298	-
- within one year	942	-
- within two to five years	2,356	-

The GMA entered into a five-year Gym lease agreement, which commenced in November 2018, is subject to annual review and provides no escalation. The lease was extended in 2024 for another five years with CPIX escalation.

23.4 OPERATING LEASE COMMITMENTS

	2025 R'000	2024 R'000
Total future minimum lease payments due:	2,726	-
- within one year	1,817	-
- within two to five years	909	-

The GMA entered into a period of three years lease agreement with an option to renew for two years with the Department of Roads and Transport (GDRT) and Safari Investments (RSA) LTD, which commenced in 1 October 2023. The lease is entered with CPIX escalation and GMA will use the premises (i.e. Atteridgeville, Mnandi Shopping Centre and Denlyn Shopping Centre, Mamelodi) for the purpose of operating and providing of Driver's Licence Testing Centre.

23.5 LITIGATION AND CONTINGENCIES

Insurance claim (Zurich Insurance Company – Formerly SA Eagle Insurance Company)

Province has submitted a claim in the South Gauteng High Court against Zurich SA (Pty) Ltd for the physical damage caused to the tunnel (Construction All Risk) between Marlboro portal and Rosebank station during construction. The matter was heard from October 2019 and finalised on 17 November 2020. Judgment, on the merits, was granted in favour of the Province, on 2 March 2021. Zurich was subsequently granted leave to appeal, on 15 June 2021. The appeal was heard on 16 August 2022, in the Supreme Court of Appeal, and judgment, in favour of the Province, was delivered on 28 September 2022. The Province has since recovered from Zurich, costs incurred in respect of the Supreme Court of Appeal process and in respect of the High Court process. The quantum has been settled by the parties, amicably.

Land cost disputes

This relates to land disputes raised by the property owners on the valuation of their expropriated properties. An estimate of R38.2 million has been claimed. These claims are dependent on the dates and outcome of court cases, therefore a provision has not been raised.

24. RELATED PARTY TRANSACTIONS

Non-executive Board Members and Board Committee Members

The total value of remuneration of the Non-Executive Board Members including the Audit and Risk Committee Members are disclosed in note 16. The GMA did not enter into any other transactions with Non-Executive Board Members including the Audit and Risk Committee Members.

Executive management

The total value of remuneration of executive management is disclosed in note 17. The GMA did not enter into any other transactions with executive management.

24. RELATED PARTY TRANSACTIONS (continued)

Gauteng Provincial Government

An entity is a member of the Gauteng Provincial Government and is under common control of the Gauteng Provincial Legislature is related to the GMA. However, only transactions and balances of the same economic entity will be disclosed.

In respect of entities, other government entities or appointed members of the government, only transactions and balances under the Executive Authority of the MEC of Gauteng Department of Roads and Transport are disclosed. The Gauteng Department of Roads and Transport, and its entities have been identified as entities of the same economic entity.

Entities under the Executive Authority: MEC of the Gauteng Department of Roads and Transport

During the financial year under review, the GMA entered into financial transactions with newly created Transport Authority of Gauteng (TAG) and G-fleet under the Executive Authority of the MEC of the Gauteng Department of Roads and Transport. The detail transaction is disclosed under note 3.1 'other receivables'.

The GMA entered into Principal Agent agreement with the Gauteng Department of Roads and Transport to assist in clearing backlog of Driving Licence renewal and Professional driving permits. The detail transaction is disclosed under note number 15.

Gauteng Department of Roads and Transport

The GMA provided project management capacity to assist the Department with its capital expenditure programme in the prior year. These transactions were at arm's length.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The GMA's financial instruments consist mainly of cash and cash equivalents, other receivables and other payables. The bank deposits and bank balances, receivables and payables approximate their fair value due to the short term nature of these instruments.

The fair values together with the carrying amounts have been determined by using available market information and are presented in the Statement of Financial Position as detailed below.

	2025 R'000	2024 R'000
Financial assets – At carrying value		
Cash and cash equivalents	155,982	893,665
Accrued income	1,462	5,394
Other receivables	1,208,949	11,515
Rental deposit	3,164	3,023
Total	1,369,557	913,597
Financial liabilities – At carrying value		
Payables	499,119	286,420
Finance lease liability	1,577	1,495
Other liabilities	93,987	239,367
Obligations arising from restricted SIP funds	21,295	20,735
Obligations arising from restricted Project funds	967,695	553,338
Obligations arising from restricted Concessionaire funds	91,781	87,877
Total	1,675,454	1,189,233

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair value of financial instruments

	2025 R'000	2024 R'000
Financial assets at fair value:		
Cash and cash equivalents	155,982	893,665
Accrued income	1,462	5,394
Other receivables	1,208,949	11,515
Rental deposit	3,164	3,023
Total	1,369,557	913,597
Financial liabilities held at fair value:		
Payables	499,119	286,420
Finance lease liability	1,577	1,495
Other liabilities	93,987	239,367
Obligations arising from restricted SIP funds	21,295	20,735
Obligations arising from restricted Project funds	967,695	553,338
Obligations arising from restricted Concessionaire funds	91,781	87,877
Total	1,675,454	1,189,233

The revenue and expenses that are included the Statement of Financial Performance are detailed below per category of financial instrument:

	2025 R'000	2024 R'000
Income from cash and cash equivalents		
Finance income	14,559	60,269
Expenses from finance lease liability		
Finance costs	(166)	(164)
Total	14,394	60,105

Financial instruments

Potential concentrations of credit risk consist mainly of cash and cash equivalents, trade receivables and other receivables. Banks and financial institutions with an acceptable independent rating are accepted. Other receivables consist of accrued interest and prepayments, upon which credit risk is limited as interest is receivable from banks with an acceptable independent rating and prepayments are minimal.

At 31 March 2025, the GMA did not consider there to be any significant concentration of credit risk which had not been insured or adequately provided for.

Fair value of financial instruments

The carrying amounts of the following financial instruments, approximate their fair value due to the fact that these instruments are predominantly short term nature.

- ▣ Cash and cash equivalent bank balances with commercial interest rates.
- ▣ Short-term receivables – due to the short term nature of GMA's receivables, amortised cost approximates its fair value.
- ▣ Long-term receivables bear interest at a rate that approximates market rates.
- ▣ Other payables – are subject to normal trade credit terms and short payment cycles. The cost of other payables approximates its fair value.

No financial instrument is carried at an amount in excess of its fair value.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk management

Interest rate risk management

The GMA does not have significant interest-bearing assets, and therefore the GMA's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk management

The GMA is not exposed to any foreign exchange risk relating to the certified Schedule 12 Milestones, as National Treasury has accepted responsibility for the foreign exchange risk relating to foreign component of milestone payments.

The Gautrain Project has limited its exposure to any foreign exchange risk relating to the payment of Variation Milestones, as predetermined fixed hedge rates have been agreed by both the Province and the Concessionaire.

During the period under review no foreign exchange variances for Variation Milestones were reported.

Liquidity risk management

The GMA manages liquidity risk through the compilation and monitoring of cash flow forecasts as well as ensuring that there are adequate banking facilities.

The maturity profiles of the financial instruments are summarised as follows:

Maturity period	2025		
	0–12 Months R'000	1–5 Years R'000	>5 Years R'000
Financial assets			
Accrued income	1,462	-	-
Other receivables	1,208,949	-	-
Rental deposit	-	3,164	-
Financial liabilities			
Payables	499,119	-	-
Finance lease liability	1,325	253	-
Other liabilities	-	93,987	-
Obligations arising from restricted SIP funds	21,295	-	-
Obligations arising from restricted Project funds	967,695	-	-
Obligations arising from restricted Concessionaire funds	-	91,781	-

Market risk sensitivity analysis

The sensitivity of the finance income to changes in interest rates are illustrated below. Management has estimated that a 200 basis points increase/decrease represents a reasonable possible change in the risk variable.

	2025	
	Accumulated surplus R'000	Net assets R'000
Interest rate increase of 200 basis points	4,669	4,669
Interest rate decrease of 200 basis points	(4,669)	(4,669)

Qualification

The sensitivity analysis is based on market conditions at reporting date and may vary at the time that any actual market movement occurs.

26. B-BBEE PERFORMANCE

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

27. SUBSEQUENT EVENTS

None

28. GOING CONCERN

On 31 March 2025 the GMA Board has every reason to believe that the GMA has adequate resources in place to continue in operation for the foreseeable future. GMA is a Provincial Schedule 3C entity and it's funded by the budget allocations from the Gauteng Province. The entity has been allocated a budget of R2.4 billion for the 2025/26 financial year. The budget is sufficient to ensure that GMA is able to meet all its obligations for the 2025/26 financial year.

Gauteng Province and Gauteng Treasury have funds allocated for the GMA through the MTEF Budget process as part of their budget/ commitments to ensure the existence and running of the Gautrain Project up until the end of the Concession Agreement in 2026.

These commitments have a positive impact on the Annual Financial Statements and confirms that the GMA does not intend to liquidate the entity or to cease operations and remains a going concern and its mandate has not change.

29. SEGMENT REPORTING

GMA has one economic activity that generates service potential, whose results are regularly reviewed by management to make decisions about resources to be allocated and for which financial information is available. GMA has a single service segment as well as a geographical segment.

30. IRREGULAR EXPENDITURE

	2025 R'000	2024 R'000
Unauthorised expenditure	-	-
Irregular expenditure	-	276
Balance	-	276

The initial appointment of these service provides followed a competitive process in 2015. Subsequently, all the annual renewals of these subscriptions were duly motivated and conducted in accordance with the National Treasury note 3 of 2021/22 and the GMA SCM Policy.



ANNEXURE: GMA'S KING IV™ APPLICATION AND DISCLOSURE REGISTER FOR THE 2024/25 FINANCIAL YEAR



1 INTRODUCTION

The Gautrain Management Agency adopted King IV™ with effect from 01 April 2017 and supports the application of the King IV Principles™ and the Recommended Practices in a manner focused on the achievement of the four corporate governance outcomes i.e. ethical culture, good performance, effective control and legitimacy. The Supplement for State-Owned Entities was used as a guide on how the King IV Code™ should be interpreted and applied in the GMA.

The King IV Application and Disclosure Report outlines key focus areas, actions to monitor the effectiveness of King IV Principles™, their outcomes, and future plans. Prepared according to the 2016 King IV Report on Corporate Governance™ in South Africa, it includes cross-references to the Integrated Report for supplementary information.

2 KING IV™ APPLICATION AND DISCLOSURE

The GMA continues to apply and maintain the principles of the King IV™ Report. An update on GMA's King IV™ Application and Disclosure for the 2024/25 financial year is contained in the table below.

King principles	Application and explanation
PRINCIPLE 1: LEADERSHIP Board leads ethically and effectively.	The Board as the custodian of good governance appreciates its responsibility for setting the tone at the top and providing effective leadership. The Board has put in place a Governance Framework to assist it in ensuring the effectiveness of its oversight role. The GMA Business Code of Conduct and Ethics for Board Members, which includes the management of the conflict interests, has been developed as a guide for the conduct of Members of the Board and is reviewed annually to align it with corporate governance leading practices. Board Members complete their annual declaration of interest annually or whenever their status changes. The 2024/25 financial year declarations of interest were completed with no areas of concern identified.
PRINCIPLE 2: ORGANISATIONAL ETHICS Board governs the ethics of the GMA in a way that supports the establishment of the ethical culture.	Board through the Social and Ethics Committee oversees and monitors the implementation and execution of ethics and ensures that it is embedded in the operations and culture of the organisation. An Ethics Champion as well as Ethics Ambassadors from various business units have been appointed to support the institutionalisation of ethics in the GMA. The Ethics Office employs a range of tools and mechanisms to embed an ethical culture across the organisation. These include: • Conflict of Interest Management; • Gifts and Hospitality Declarations; • Annual Declarations of Financial and Personal Interests; • Ethics Awareness and Training Campaigns; • Data-driven insights from independent ethics climate surveys and trend analyses; • Assessment of Internal and External Fraud; and Corruption Incidents Key focus areas during the reporting period included: • Whistleblower Day Newsletter (June 2024), promoting transparency and safe reporting. • Global Ethics Day Newsletter (October 2024), which highlighted global trends and internal ethics initiatives. • International Fraud Awareness Week Campaign (November 2024), featuring educational materials, information sessions, and interactive activities such as ethics quizzes and knowledge competitions to reinforce GMA's ethics-related codes and policies. As part of its efforts to foster and embed a compliance culture within the GMA, it continuously monitors developments of the legislative landscape within which it operates. To this end, it has subscribed to the Parliamentary Monitoring Group, which is a body that monitors legislative developments in the South African Parliament. This assists the GMA in ensuring that it keeps abreast of any legislative changes in South Africa. • Molao Chatz initiatives regularly deal with topical issues and newsletters are issued, relating to legislative and case law developments, to keep employees updated on relevant legislative and legal changes. • GMA Organisational Culture and Value Charter, which provides identified behaviours that define the organisation's values and are aligned to the strategic objectives, as well as the GMA brand was approved. GMA's Core Values and Value Statements were communicated to all employees and were socialised to ensure shared beliefs. • GMA's Core Values are displayed on TV screens at the office and attached to the internal e-mail signatures, to assist in reinforcing core value messages to all employees. GMA's Core Values are also mentioned in all employee engagements as part of embedding a culture that is aligned to the values. • Quarterly Integrated Ethics Management Reports are presented to the Social and Ethics Committee.

King principles	Application and explanation
PRINCIPLE 3: RESPONSIBLE CORPORATE CITIZEN Board ensures the GMA is and is seen to be a responsible citizen.	The Board is responsible for corporate citizenship by setting the direction for how it should be approached and addressed. The Board, through the Social and Ethics Committee, oversees and monitors the consequences of the GMA's activities and outputs, as well as their effect on its status as a responsible corporate citizen. Key elements included: • Workplace – GMA recognises the importance of an Employee Value Proposition (EVP) as being instrumental in both attracting and engaging employees as well as fostering the retention of top talent. • GMA implemented initiatives, such as: Learning and Development Programme, Leadership Development, Reward and Recognition, Employee well-being, as well as organisational culture. • GMA has developed a Graduate Development Programme. The first group of graduates completed their three-year programme which was effective 1 July 2019 to 30 June 2022. The second group of graduates started their three-year programme from 1 January 2023. The three-year programme for this group of graduates ends on 31 December 2025. More details are in the Integrated Annual Report. • Safety, Health and Environment – Emergency Management System Wide Risk assessment on the Gautrain System highlighted various major risks with regard to effective emergency response and management across the System. To effectively mitigate and eliminate these risks, the GMA and the Concessionaire contracted a specialised tactical first line responder whose primary responsibility is to respond to emergency situations such as fire and medical emergency as soon as they happen and effectively evacuate passengers or public to prevent harm, loss of life or major structural damage thus promoting Zero Harm. The first line responder also assessed the System and advised on the need for additional equipment to address emergency risk management on the System. This equipment was procured by the GMA and the Concessionaire. Another duty of the first line responder is to collaborate with the local emergency services upon their arrival at the scene for a proper handover of the System during a fire emergency. Gautrain's environmental compliance is managed through the Record of Decision (RoD) and the Operations and Maintenance Environmental Management Programme (O&M EMPR) issued by the Gauteng Department of Agriculture and Rural Development (GDARD). An Independent Environmental Consultant (IEC) undertakes monthly, quarterly and annual inspections, and environmental audits to verify compliance to the ROD and O&M EMPR. During this reporting period the Gautrain System obtained 98% environmental compliance indicating a continuous improvement from previous years. Despite this high compliance rate, there remain areas requiring improvement, specifically in waste management, minor spillages, and depot/workshop management, these are addressed during the SHEQ Coordination meetings between the GMA and the Concessionaire. The occurrence of the sinkholes in the dolomitic areas in Centurion remain a known risk, however, the Concessionaire continues to monitor boreholes in the area and has installed water level monitoring devices called Piezometers to detect water level increases and any early detection of geohazards or formation of sinkholes. As part of the strategy towards Zero Harm to people and the environment, the GMA has achieved an Integrated Management System (IMS) certification for ISO 90001:2015, ISO 45001:2018, and ISO 14001:2015. This milestone reflects the GMA's commitment to continuous improvement and operational excellence. The certifications will enable GMA to enhance Occupational Health and Safety (OHS) performance, minimise Safety, Health, Environment, and Quality (SHEQ) risks, eliminate hazards, prevent work-related injuries and illnesses, and ensure a safe and sustainable environment as well as customer satisfaction. The GMA as part of continuous compliance to the Occupational Health and Safety Act will conduct occupational hygiene surveys and ergonomics risk assessment to identify risk areas that might affect the health of the employees. The outcomes of these surveys depending on the risks identified will result in mitigation measures that will include elimination, avoiding or reducing the risk, application of engineering controls, implementation of administrative methods such as work instructions and training or supply of effective PPE as a last resort. B-BBEE procurement spend relates to discretionary goods and services procured by the GMA. The Social and Ethics Committee monitors GMA's B-BBEE compliance. GMA achieved the B-BBEE targets for business owned by women and youth during the period under review but targets for people living with disabilities remained a challenge. GMA will continue with investigations into how to improve its performance. • Society – GMA's Social Investment Programme (SIP) focuses on education, community care, environment and township economy. GMA has conducted a socio-economic research study to understand the community of Alexander, enabling GMA to consider value creation in the area and possible shared value projects to be implemented. The GMA continued with the Employee Volunteer Programme, allowing staff to share their time, skills and where possible donations to support beneficiaries in need, these included mentoring, skills and job sharing as well as donations in relation to winter clothing and stationary for the youth. Details of the key focus areas during this reporting period and the planned future areas are found in the main Integrated Annual Report.

King principles	Application and explanation
PRINCIPLE 4: STRATEGY AND PERFORMANCE Board appreciates that the GMA's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable of the value creation process.	The Board is responsible for GMA's performance and thus approves the GMA's Strategy and delegates the implementation of the Strategy to Management. The Board monitors GMA's performance through Quarterly Performance and Performance Information Reports submitted to the MEC and the Gauteng Provincial Legislature. CEO's Quarterly Outlook Reports focuses on key matters necessary to be brought to the attention of the Board and Board Committees in between quarterly meetings.
PRINCIPLE 5: REPORTING Board ensures that reports issued by the GMA enable stakeholders to make informed assessment of the GMA's performance.	GMA follows the National Treasury guidelines, revised Framework issued by the Department of Planning, Monitoring and Evaluation and the corporate governance leading practice on annual reporting. The GMA Annual Financial Statements were prepared in accordance with the prescribed standards of Generally Recognised Accounting Practice (GRAP), including directives and guidelines issued by the Accounting Standards Board (ASB) and the Public Finance Management Act (PFMA). During this reporting period, GMA's Integrated Annual Report continued to report on how the six capitals used by GMA created value for the organisation and its stakeholders. The Board through the Audit and Risk Committee ensures that the necessary controls are in place to safeguard the integrity of the Annual Financial Statements and the Integrated Annual Report. Details can be found in the Integrated Annual Report.
PRINCIPLE 6: PRIMARY ROLE AND RESPONSIBILITIES OF THE BOARD Board serves as the focal point and custodian of corporate governance in the GMA.	The Board exercises its leadership role by steering GMA and setting its strategic direction, approving policies and plans that give effect to the strategic direction provided, overseeing and monitoring of the implementation and execution by Management and ensuring accountability for GMA's performance through reporting and disclosure. The Board's role and responsibilities are articulated in the Board Charter. The Board Charter and Board committees Terms of Reference are reviewed annually or as and when the need arises to align them with corporate governance leading practices and are approved by the Board. The Board and its committees meet on a quarterly basis and the attendance of Members is included in the Report as a key performance indicator. Refer to the Corporate Governance Report included in the Integrated Annual Report for more information.
PRINCIPLE 7: COMPOSITION OF THE BOARD Board is comprised of the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The Board is appointed by the MEC in line with the GMA Act, No. 5 of 2006, as amended. The Board therefore does not have a Nomination Committee to assist with the appointment of the Board, but GMA has instead developed the Framework on the Recruitment and Selection of Board, Board committees and the CEO. The Framework serves as a proposed guideline to the MEC to promote transparency on the appointment process of the Board, Board committees and the CEO. The Framework encourages the Board to work together with the MEC in filling vacancies which may arise at the Board. However, the final appointment lies with the MEC in consultation with the Gauteng Executive Council. Refer to the Corporate Governance Report for a full disclosure regarding the composition of the Board and the role and responsibilities of the Chairperson, Deputy Chairperson and the CEO.
PRINCIPLE 8: COMMITTEES OF THE BOARD Board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	In discharging its duties, the Board is empowered to delegate some of its responsibilities to Board committees and CEO through the delegation of authority framework and the committees Terms of Reference, while maintaining ultimate accountability. The Board Charter also indicates matters reserved for the Board and those delegated to Board committees. The Board considered the recommendations and reports from the Board committees. Refer to the Corporate Governance Report for a full disclosure regarding the Board committees.

King principles	Application and explanation
PRINCIPLE 9: EVALUATION OF THE PERFORMANCE OF THE BOARD Board ensures that the evaluation of its own performance and that of its Committees, its Chair its individual members support continued improvement in its performance and effectiveness.	The performance evaluation of the Board, Board committees and individual Board members is conducted every two years. GMA has appointed the Institute of Directors South Africa to conduct Board and Board committees performance evaluation for the 2024/25 financial year.
PRINCIPLE 10: APPOINTMENT AND DELEGATION TO MANAGEMENT Board ensures that the appointment of, and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.	The Delegation of Authority Framework (DoA) clearly sets out levels of authority and the required approvals for decision making. The DoA is reviewed and approved by the Board annually or when necessary.
PRINCIPLE 11: RISK GOVERNANCE Board governs risk in a way that supports the GMA in setting and achieving its strategic objectives.	GMA's risk governance encompasses both opportunities and associated risks, as well as their impact on the achievement of GMA's objectives. The Board oversees risk management and has delegated the risk management function to the Audit and Risk Committee. The responsibility for implementing and executing effective risk management is delegated to Management. Some of the key focus areas during the reporting period were as follows: • Setting the approach for risk governance, including opportunities and risks when developing strategy. • Treating risk as an integral part of decision making and adherence to duties. • Overseeing risk management (including assessment of risks and opportunities using a 360-degree analysis in relation to King IV™ and the use of six capitals, achievement of objectives, dependency on resources as well as the risk responses, monitoring and reporting thereof). • Identifying, mitigation and monitoring of emerging risks. • Procurement of a new risk analysis and forecasting tool to run MonteCarlo risk simulations. • Monitoring and reporting of Strategic and Tolerance Dashboards. • Revising Gautrain System Disruption Register. • Migrating active project risk registers managed under the Project Management Office (PMO) to the Highbond platform. • Improving the risk maturity of the organisation from 90% to 91%. • Including ethics in performance management processes via the GMA values. • Implementing risk awareness initiatives competitions, Top 5 Strategic Risks and the IRMSA Risk Report. • Aligning the risk management processes with ISO standards. • Developing new strategic and operational risk registers e.g. Post-2026, Commercial, Close Out of the Concession Agreement etc. • Draft COCA Risk Register. • Holdover Risk Register (HOPE). • Risk Case Study: Evolution of Risk Maturity – awaiting final design. • Roll-out of PMO risk management process to other business units (in progress). The gaps identified in the implementation and monitoring of the effectiveness of the risk management were as follows: • Lack of a formal Sustainability Framework. • Project Risk Management KPI to be implemented. The above gaps will be addressed in the next reporting period to improve the risk maturity of the GMA. Full disclosure on Risk Management can be found in the Integrated Annual Report.

King principles	Application and explanation
PRINCIPLE 12: TECHNOLOGY AND INFORMATION GOVERNANCE Board governs technology and information in a way that supports the GMA in setting and achieving its strategic objectives.	The governing body, through the Audit and Risk Committee oversees GMA's technology and information governance and associated risk management, supporting strategic objectives. Operational responsibility is delegated to Management. Oversight encompasses ICT governance (strategy, risk, resources, performance), ICT compliance, ICT assurance, and critical ICT projects. GMA's ICT strategy is centered on transforming the organisation into a digital workforce and leveraging data to become a data-driven entity. During the reporting period, ICT continued its drive to digitally transform GMA into a mobile, agile, innovative, data-driven, and secure workforce. A key component of this strategy is to enhance organisational processes, practices, and systems to: • Improve ICT Governance and risk management (incorporating both strategic and operational perspectives). • Reduce environmental impact. • Maximise financial value. • Improve overall workforce efficiency. • Utilise data to drive strategic decision-making. The implementation of GMA's Digital and Data strategies is ongoing. These strategies aim to: • Utilise data for competitive advantage. • Improve customer experience. • Add significant value to GMA and its customers through data and analytics. The Data Strategy specifically focuses on data governance to ensure that data is correctly managed and protected. This includes addressing data quality, integrity, and privacy risks at an operational level, overseen by strategic direction from the Audit and Risk Committee. The principles established in the broader ICT and AI policies directly inform data management practices. Crucially, this includes oversight of GMA's Cybersecurity Strategy and Incident Response Plan, ensuring proactive protection and effective handling of cyber threats. Essential ICT project oversight, tracking the development and success of key technology initiatives; regular and transparent reporting on technology and information performance and governance outcomes; strategic technology and information risks (e.g., transformation failure, major cyber breaches) are overseen by the Audit and Risk Committee. Operational risks (e.g., system downtime, data integrity) are managed by operational teams, with regular reporting to the committee. Both internal and external audits provide independent assurance on the effectiveness of GMA's ICT Governance Framework, risk management processes, and internal controls for both strategic and operational risks. GMA operates under comprehensive ICT Policies and Procedures (e.g., security, data handling, change management) and an overarching ICT Governance Framework. Furthermore, specific AI policies and ethical AI principles are being developed to guide the responsible and ethical deployment of Artificial Intelligence solutions, fostering a culture that embraces technological innovation and agility. Arrangements for Technology and Information Governance are fully disclosed in the Integrated Annual Report.
PRINCIPLE 13: COMPLIANCE GOVERNANCE Board governs compliance with applicable laws and adopts non-binding rules, codes and standards in a way that supports the GMA in setting and achieving its strategic objectives.	The GMA has approved a number of prescripts including but not limited to the Legal Compliance Policy, Legal Compliance Framework and Legal Compliance Strategy. Monitoring compliance and conducting audits, as well as the gap analysis on specific legislation that may have an impact on the GMA and its operations continued during the reporting period. Full disclosure on Compliance and Legal Services can be found in the Integrated Annual Report.

King principles	Application and explanation
PRINCIPLE 14: REMUNERATION GOVERNANCE Board ensures that the GMA remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The Board has the ultimate responsibility for the governance of remuneration with some elements delegated to the Human Resource and Remuneration Committee (HCRC). Performance-based remuneration is one of the cornerstones of the GMA Reward and Remuneration Philosophy. The Reward and Remuneration Philosophy is also underpinned by sound remuneration management and governance principles that is promoted throughout GMA in order to ensure consistent application. The GMA Reward and Remuneration Policy is reviewed and approved by the Board. The policy is designed to achieve the following objectives: • To attract, motivate, reward, and retain human capital. • To ensure that high levels of performance are recognised and rewarded. • To promote and align the achievement of strategic objectives within the organisation's risk appetite. • To ensure that a competitive remuneration package is offered to employees. • To ensure that a performance culture is institutionalised. • To promote positive outcomes. • To promote an ethical culture and responsible corporate citizenship. The HCRC has the overriding authority on the use of discretionary payments made under exceptional circumstances. Overview of the GMA Reward and Remuneration Policy is as follows: • Annual review of the policy to align it with market principles. • Approved remuneration structures include the basic salary, performance bonuses/incentive schemes and other related benefits. • Regular salary benchmarking is conducted to ensure that remuneration is within market-related pay. • All employees, regardless of race or gender, performing the same or similar job at the same or similar level of performance in the organisation receive the same or similar levels of remuneration, as determined in the approved Reward and Remuneration Policy and Pay Scale as well as the equal pay principle. • Performance bonus/incentive are linked to performance and value creation that are within the control of Management. • Performance measures are clearly defined and measured over the short, medium, and long term. The remuneration of the Board and Senior Executive Management is disclosed in the Annual Financial Statements included in the Integrated Annual Report.
PRINCIPLE 15: ASSURANCE Board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the GMA's external reports.	The Board has delegated the arrangements for assurance services to the Audit and Risk Committee. The Audit and Risk Committee provides oversight of the internal control environment and the integrity of information and reports for better decision-making. GMA Internal Audit provides assurance in conformance with the Institute of Internal Auditors (IIA) Standards and contributes to the effectiveness of governance, risk management and control processes. The Internal Audit Plan is completed and approved by the Audit and Risk Committee. Reviews of governance, risk management and controls by assurance providers to enhance the practice of combined assurance were implemented and reported to the Audit and Risk Committee. Arrangements for assurance are fully disclosed in the Audit and Risk Committee Report contained in the Integrated Annual Report.
PRINCIPLE 16: STAKEHOLDER RELATIONSHIPS In the execution of its governance role and responsibilities, the Board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the GMA over time.	Governance of GMA and Gautrain stakeholder relationships is the responsibility of the Board assisted by the Social and Ethics Committee. The Board has delegated to Management the responsibility for the implementation and execution of the stakeholder relationship management. During the reporting period, the Social and Ethics Committee provided oversight on the following key matters: • Research on stakeholders' opinion on the Gautrain brand to leverage and mitigate relationships. • Classification of material stakeholders based on the extent to which they affect, or are affected by, the activities, outputs and outcomes of the GMA and its Projects such the Gautrain Post-2026 and GRRIN. • Management of stakeholder risk, as part of organisation-wide risk management. • Formal mechanisms for communication with stakeholders to identify their interests, concerns and expectations. • Actions taken to measure the quality of material stakeholder relationships and appropriate responses to address the gaps. More details on stakeholder relationships, achievements and the future focus areas can be found in the Integrated Annual Report.

King principles	Application and explanation
PRINCIPLE 17: RESPONSIBILITIES OF INSTITUTIONAL INVESTORS Board of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	GMA was established by the Gauteng Provincial Government in terms of the GMA Act and listed as a Public Entity in Schedule 3C of the Public Finance Management Act. GMA use the Supplement for State-Owned Entities as a guide in the interpretation and application of the King IV Code™. Principle 17 is therefore not applicable to GMA.

3 CONCLUSION

The Board is satisfied with the application of good governance as recommended by King IV™. The Board, through the Audit and Risk Committee, will continue to monitor the gaps identified and make some enhancements where necessary.

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