

**Ref:02/1/5/2**

**MINISTER**

**QUESTION NO. 3784 FOR WRITTEN REPLY: NATIONAL ASSEMBLY**

A draft reply to **Ms C N Majeke (UDM)** to the above-mentioned question is enclosed for your consideration.

**Ms Nosipho Ngcaba**

**DIRECTOR-GENERAL**

**DATE:**

**DRAFT REPLY APPROVED/AMENDED**

**MRS B E E MOLEWA, MP**

**MINISTER OF ENVIRONMENTAL AFFAIRS**

**DATE:**

**NATIONAL ASSEMBLY**

**(For written reply)**

**QUESTION NO. 3784 {NW4526E}**

**INTERNAL QUESTION PAPER NO. 42 of 2015**

**DATE OF PUBLICATION: 23 October 2015**

**Ms C N Majeke (UDM) to ask the Minister of Environmental Affairs:**

(1) Who is the owner, driver and implementer of the Working on Fire Programme;

(2) who provides and owns the equipment that is being bought and used to roll out the specified programme;

(3) whether any private companies were contracted to roll out the programme; if so, with regard to each specified company, (a) what are the details of the company, (b) what are the relevant terms of engagement with the company, (c) what is the annual value of the contract, (d) what is the life-span of the contract, (e) what are the demographics of the company, (f) what is the relationship between the company and the companies that were contracted at the time that the specified programme was part of the Department of Water Affairs and (g) what mechanisms are in place for monitoring and evaluating the specified contract in line with the objectives of the Expanded Public Works Programme as well as the job targets of the National Development Plan?

**3784. THE MINISTER OF ENVIRONMENTAL AFFAIRS REPLIES:**

(1)The owner is the Department of Environmental Affairs, the National Resource Management Cluster, and the Implementer (Implementing Agent) is Working on Fire (Pty) Ltd.

(2) All movable and immovable capital assets as well as equipment acquired or built with funds made available by the department to the implementing agent remain the property of the department. Fire fighting trucks and management vehicles – are provided on a full maintenance lease by FFA Assets (Pty) Ltd with ownership transfer to the Department of Environmental Affairs at the end of the lease period. Aviation resources – Turnkey solution, including aircraft, crew, maintenance and insurance is contracted from Kishugu Aviation (Pty) Ltd.

(3) The implementing agent Working on Fire (Pty) Ltd was appointed by the Department of Environmental Affairs after a competitive request for proposals process was undertaken in terms of the Department’s Supply Chain Management Policy with the National Treasury providing oversight for the entire process.

1. FFA Operations (Pty) Ltd, a subsidiary of FFA Holdings (Pty) Ltd was appointed as the implementing agent. Subsequently, FFA Holdings (Pty) Ltd changed its name to Kishugu Holdings (Pty) Ltd and all of its subsidiaries were amended accordingly. FFA Operations (Pty) Ltd has recently been registered as Working on Fire (Pty) Ltd. It remains a subsidiary of Kishugu Holdings (Pty) Ltd;
2. the terms of engagement are that they have been appointed as an implementing agent in accordance with the Memorandum of Agreement between the Department of Environmental Affairs and Working on Fire (Pty) Ltd;
3. the value of the contract is determined annually in the budget vote allocation approved by Parliament, and dependent on the allocation of the Medium Term Expenditure Framework (MTEF). The allocated budget for the current MTEF cycle is:

2014/15: R521 388 000,00

2015/16: R532 791 000,00

2016/17: R580 275 000,00

These allocations are inclusive of the Expanded Public Works Programme (EPWP) incentives grants (The funds paid to public bodies to incentivize work creation. The incentive is paid per quantum of employment created for the EPWP target group and can be measured in person-days of work or full time equivalent jobs) of:

2014/15: R58 114 000,00

2015/16: R44 019 000,00

2016/17: R46 352 000,00;

1. the Memorandum of Agreement is for a duration of seven years which commenced on 01 April 2014;
2. demographics:

Only South African ID holders are employed throughout the programme. This includes management staff and participants.

Management: African 63%, Coloured 10%, Indian 2% and White 25% **R5, 414, 581** paid to management

Participants (previously referred to as beneficiaries): African 91%, Coloured 9%.

Female: 31%, Disabled 3% and Youth 95% of **R19, 580, 675** has been paid to participants,

The Kishugu Shareholding Structure is also represented by all South Africans i.e. African, Coloured, Indian and White

* **Direct Cost Benefit** (Wages, Management Salaries, UIF, Workmanship Compensation, Medicals and Personal Accident Policy) 43% till to date i.e.

R 19, 110, 321

* **Indirect Cost Benefit (**Personal Protective Equipment, Training, OHS, Management Transport, Operational Transport Standing fees and Operational Transport variables) 41% till to date i.e. R18 286,508
* **Management fee :** 9%whichisR4,024, 649.00
* **Other** (Operational variable cost, IT): 7 %
1. the same implementing agent Working on Fire (Pty) Ltd (at that stage it was FFA Operations (Pty) Ltd) was appointed by the Department of Water Affairs and Forestry after a competitive tender process (WP9191) undertaken in terms of the Department’s Supply Chain Management policy; and
2. there is a range of mechanisms in place for monitoring and evaluating the contract, and these include:

Department of Environmental Affairs National Resource Management Working on Fire Executive Committee (EXCO);

Department of Environmental Affairs National Resource Management Oversight Committee;

monthly and quarterly KPI Reporting to the Director-General; and

monthly and quarterly EPWP Reporting.

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