**2. Report of the Portfolio Committee on Public Works on Budget Vote 11: Public Works and Annual Performance Plans 2018-2019 of the Department of Public Works, the Property Management Trading Entity, and entities reporting to the Minister of Public Works, dated 8 May 2018.**

The Portfolio Committee on Public Works, having considered the Annual Performance Plans and Budget of the Department of Public Works, the Property Management Trading Entity, and the entities reporting to the Minister of Public Works, wishes to report as follows:

Introduction

The Portfolio Committee on Public Works has oversight responsibility over the Ministry of the Department of Public Works as policy leader, and the entities that report to the Minister, namely the Independent Development Trust (IDT), the Construction Industry Development Board (CIDB), Agrément South Africa (ASA), and the Council for the Built Environment (CBE).

At meetings held on 17 and 24 April 2018, the Portfolio Committee met with the Minister, Deputy Minister and the senior management teams and boards of entities on the Annual Performance Plans (APPs) and budgets for the 2018/19 financial year. More specifically, the Committee interrogated the financial and other resource allocations to programmes that had to be used to implement policy priorities that are stated in the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF), and the 2018 State of the Nation Address (SONA).

The mandate of the Department of Public Works is derived from the Constitution of the Republic of South Africa, 1996, and the Government Immovable Asset Management Act (No. 19 of 2007) that describes the Department as the custodian and portfolio manager of government’s immovable assets.

The Property Management Trading Entity became operational in the 2015/16 financial year[[1]](#footnote-1). This brought about a shift in the focus of the Department’s role. The Department of Public Works now focuses on policy formulation, coordination, regulation and oversight relating to the provision of accommodation and expert built environment services to client departments at national level. The PMTE remains a government component of the DPW and shares services such as finance and supply chain management, and governance risk and compliance functions. The Department is further mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of government’s Expanded Public Works Programme (EPWP) that is initialised and managed at different departments across the three spheres of government.

Since the 2015/16 financial year, the PMTE is responsible for the planning, acquiring, managing and disposing of immovable assets in the department’s custody. It also has the function of ensuring the full implementation of the Government Immovable Asset Management Act by recording and maintaining the Immovable Asset Register. This is an important precursor to utilising the value locked within government’s immovable assets so that the PMTE generates funding through its operationalisation. The PMTE faces challenges in this regard which will be further dealt with in the relevant sections of this report.

**Policy Priorities for the Department of Public Works, PMTE and Entities**

As stated earlier, the Department continues to focus on the policy priority to create employment opportunities for vulnerable sectors of the South African society that struggle to enter the formal employment market. The Department plays a coordinating and capacity development role through its Expanded Public Work Programme (EPWP), where labour intensive infrastructure development and maintenance projects takes place at the national, provincial and municipal spheres of government.

Apart from the above, over the medium term expenditure framework period, the policy focus for government departments and municipalities with whom the Department of Public Works play a coordinating, implementing role with its entities, remains on:

* Creating 6 million work opportunities by 2019 through the EPWP.
* Creating work opportunities for vulnerable groups (such as women and people with disabilities) with particular emphasis placed on addressing youth unemployment.
* Erecting new schools through the Accelerated School Infrastructure Delivery Initiative (ASIDI) to improve educational infrastructure.
* Addressing collusion by cartels that hamper the growth of small businesses (Operation Phakisa).
* Investing R100 million on capital and maintenance programmes of small harbours.
* Utilising the R900 billion budget towards economic transformation.
* Implementing regulations that make it compulsory for large contractors to sub-contract 30% of business to black-owned enterprises.
* Addressing corruption and other related offences by public servants.
* Ensuring that the Expropriation Bill is constitutionality sound.

The National Development Plan (NDP) followed from the Diagnostic Report released by the National Planning Commission in June 2011. The Diagnostic Report highlighted both the achievements and the challenges of government since 1994. It identified slow progress in nine areas, due in part, to the failure to implement the policies of which the following apply specifically to Public Works[[2]](#footnote-2):

* The numbers of employed people remain low.
* The country is still challenged by poorly located, inadequate and under-maintained infrastructure.
* Inclusive development is impeded by the spatial divisions within the country.
* People receive uneven and often poor quality public services.
* Levels of corruption remain high.

The NDP emphasised the “provisions of income support to the unemployed through various active labour market initiatives such as public works programmes, training and skills development, and other labour market related incentives.”[[3]](#footnote-3) The focus referred to earlier through the DPW’s function of coordinating work opportunities created through EPWP projects, attempts to deal with this challenge.

In the 2015 State of the Nation address the President announced a Nine Point Plan, which is expected to address the need to grow the economy and stimulate job creation. The President, in the 2017 SONA again listed the policy priorities that respond to some of the challenges affecting the country. These include:

* “Electricity challenges.
* Inadequate economic infrastructure in general.
* Unwieldy regulatory processes that delay investment.
* Insufficient Government coordination, which contributes to investor uncertainty.”

In the 2018 State of the Nation Address the President emphasised the contribution DPW through the Expanded Public Works Programme, referring to the creation of “more than 3.2-million work opportunities. In the context of widespread unemployment, they continue to provide much-needed income, work experience and training.”[[4]](#footnote-4)

The President further stated: “At the centre of our national agenda in 2018 is the creation of jobs, especially for the youth.”[[5]](#footnote-5) A number of measures would be taken to address the challenges identified over the last few years. Amongst these are a jobs summit that would be arranged “to align the efforts of every sector and every stakeholder behind the imperative of job creation.”[[6]](#footnote-6)

In the 2018/19 APP the Department continues to be responsive to the following United Nations Sustainable Development Goals (SDGs):[[7]](#footnote-7)

Goal 1: End poverty in all its forms everywhere.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Goal 13: Take urgent action to combat climate change and its impacts.

**Analysis of the Strategic Plans, Annual Performance Plans and Budget allocations**

This section of the report deals with the analysis of respectively, the Department of Public Works (DPW), and the Property Management Trading Entity (PMTE). This is followed by an analysis of each of the entities reporting to the Minister of Public Works, namely, Agrément South Africa (ASA), the Independent Development Trust (IDT), the Construction Industry Development Board (CIDB), and the Council for the Built Environment (CBE).

**1. The Department of Public Works (DPW)**

The Department’s mandate includes the following functional responsibilities in terms of the Government Immovable Asset Management Act (No. 19 of 2007) following the operationalisation of Property Management Trading Entity (PMTE) as an internally operating entity that performs the following operations that used to be done by the DPW:[[8]](#footnote-8)

* Undertake the custodial and portfolio management of national Government’s immovable assets.[[9]](#footnote-9)
* Formulate policy, coordinate, regulate and undertake oversight in the provision of accommodation and expert built environment services to Client Departments at national government level.
* Plan, acquire, manage and dispose of immovable assets under its custodianship.

As mentioned above, the Department of Public Works is also responsible for four entities. These are:

* Agrément South Africa (ASA).
* Construction Industry Development Board (CIDB). [[10]](#footnote-10)
* Council for the Built Environment (CBE).
* Independent Development Trust (IDT).

##

## 1.1. Programme changes in the APP

Changes to the programme structure of the Department’s programmes was noted in the previous financial year. These changes emphasised the two main priority programmes - Immovable Asset Investment and the EPWP. At the same time, the introduction of Programme 4, Property and Construction Industry Policy and Research, stressed the need to review the Public Works White Papers to develop legislation that would strengthen the mandate of the Department and its entities as property manager and landlord of the state.

During the 2014/15 financial year the Department reviewed, and restructured its programmes so that a large portion of the allocation of Programme 2, Immovable Asset Management, was moved to the Property Management Trading Entity (PMTE) sub-programme residing under Programme 4. At the same time, the PMTE was operationalised in March 2015 and the bulk of the property and infrastructure functions (under Programme 2, Immovable Asset Management), as well as the staff was shifted to the newly created entity.

In the five-year strategic plan 2014 - 2019, the Minister referred to the long-standing challenges in the Department. In Annual Performance Plans over this period, the Minister continued to identify these as being of a structural and systemic nature. The Department consistently reported on obstacles that hampered its own operations and that of its entities in achieving its core mandate.

The problematic areas include leasing, key asset management, providing accommodation to client departments, maintenance and upgrading of assets. These areas are crucial to ensure that all client departments and specifically those in the sectors of health, basic education, justice, and security provision can provide vital services to the nation at provincial and municipal spheres of government. A weakly operational Department of Public Works and Property Management Trading Entity have the unfortunate effect of weakening service e delivery in all sectors across the three spheres of government. An operationally improved, financially fit and vibrant Department of Public Works and Property Management Trading Entity will have the desired knock-on effect of improved service delivery that form the backbone of a socially and economically strong country.

The following section provides a comparative analysis of the budget allocations to programmes with which the DPW can operate as a well-managed state property owner and accommodations manager that facilitates a well-functioning government.

**1.2. Budget Allocations to programmes****for the Department of Public Works**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **Nominal Rand change** | **Real Rand change** | **Nominal % change** | **Real % change** |
| **R million** | **2017/18** | **2018/19** | **2019/20** | **2020/21** |  **2017/18-2018/19** |  **2017/18-2018/19** |
| **Administration** |  443,3 |  480,3 |  511,6 |  557,7 |  37,0 |  12,0 | 8,35% | 2,70% |
| **Intergovernmental Coordination** |  48,2 |  58,1 |  62,0 |  64,8 |  9,9 |  6,9 | 20,54% | 14,26% |
| **Expanded Public Works Programme** |  2 407,6 |  2 566,6 |  2 746,3 |  2 903,9 |  159,0 |  25,2 | 6,60% | 1,05% |
| **Property and Construction Industry Policy and Research** |  4 001,4 |  4 250,4 |  4 462,8 |  4 703,0 |  249,0 |  27,4 | 6,22% | 0,69% |
| **Prestige Policy** |  84,6 |  97,9 |  116,3 |  117,0 |  13,3 |  8,2 | 15,72% | 9,69% |
|  |  |  |  |  |  |  |  |  |
| **TOTAL** |  **6 985,1** |  **7 453,3** |  7 899,0 |  8 346,4 |  **468,2** |  **79,6** | **6,70%** | **1,14%** |

*Source: National Treasury (2018)*

The Department of Public Works received a budget allocation of R7,45 billion for 2018/19 with which to accomplish the priorities listed above. This represents an increase of 6,7% in nominal terms, and 1.1% in real terms (calculating the impact of inflation) from the 2017/18 adjusted appropriation of R6,99 billion. The Department’s budget represents approximately 0,1% of the national appropriation by vote, excluding direct charges.

In terms of economic classification, the departmental budget includes transfers totalling 86,9% of the budget, with a total monetary value of R6,48 billion, from the R6,09 billion allocation in 2017/18. This constitutes an increase of R389,8 million (or 6,4% in nominal terms and 0,9% in real terms).

Of these, R1,52 billion is transferred to Provinces and Municipalities as Conditional Grants. A total of R4,17 billion is allocated to Departmental Agencies and Accounts. During 2018/19, Current Payments amount to 12,8% of the budget (R951,5 million) and Capital Payments amount to 0,3% of the budget (R23,5 million).

Compensation of employees increased by R59,9 million (from R458,4 million in the 2017/18 adjusted period) to R518,3 million in 2018/19.

### Vote Goods and Services

Noteworthy increases from the previous financial year under the vote Goods and Services are the following:

* Administrative Fees increased by R26 000.
* Advertising increased by R3,6 million.
* Minor Assets increased by R864 000.
* Audit Cost: External increased by R1,0 million.
* Communication increased by R1,8 million.
* Computer Services increased by R2,6 million.
* Infrastructure and Planning Services increased by R14,0 million.
* Contractors increased by R5,3 million.
* Travel and Subsistence increased by R2,4 million.

Reductions included the following:

* Consultants: Business and Advisory Services decreased by R6,7 million.
* Legal Services decreased by R2,7 million.
* Catering: Departmental Activities decreased by 1,2 million.
* Agency Support Services decreased by R988 000.
* Consumable: Stationery, Printing and Office Supplies decreased by R122 000.
* Operating leases decreased by R117 000.

## Departmental Receipts

The Department generates revenue through its Property Management Trading Entity (PMTE), by letting properties and official quarters, and through the sale of land and buildings. It is projected that the Department will collect revenue to the total value R1,9 million for 2018/19. This is a decline of R140 000 from the R1,8 million in 2017/18. The Department sub-categorises the sale of goods and services produced, for example, figures are presented for monies generated from the Sale by market establishment:

* R120 000 Market establishment (covered and open rental parking).
* R160 000 Other Sales: Tender documents.
* R40 000 Sales: Waste.
* R600 000 Interest, dividends and rent on land.
* R1.0 million Transactions in financial assets and liabilities.[[11]](#footnote-11)

### 1.2.1 Programme 1: Administration

**Programme 1 provides strategic leadership, management and support services to the Department.**

For 2018/19, the Administration programme receives an allocation of R480,3 million. This represents 6,4% of the overall departmental budget. This allocation increases at a nominal rate of 8,3%, and 2,7% in real terms from the previous allocation.

In terms of economic classification, the Administration programme budget includes current payments to the value of R462,9 million. Of this, an amount of R263,5 million must be spent on compensation of employees. The budget for the compensation of employees increases by R31,5 million or 13,6% in nominal terms and 7,7% in real terms in 2018/19.

The Department allocates R199,4 million to goods and services. This constitutes an increase of R5,8 million (or 3,0% in nominal terms and a decline of 2,4% in real terms).

Most of the economic classifications under Goods and Services increased for 2018/19. Increases are recorded under the following:[[12]](#footnote-12)

* Computer Services increased by R2,6 million (or 2,2% in real terms).
* Consultants: Business and Advisory Services increased by R2,7 million (or 15,6% in real terms).
* Operating Leases increased by R1,6 million (or 1,3% in real terms).
* Travel and Subsistence increased by R4,7 million (or 19,7% in real terms).

Decreases are recorded as follows:

* Legal Services decreased by R2,7 million (or 16,1% in real terms).
* Property Payments – decreased by R100 000 (or 5,6% in real terms).
* Interest and Rent on Land decreased by R1,8 million (or 100% in real terms), as no allocation was recorded for 2018/19.

A total of R11,6 million is allocated towards Capital Expenditure. This constitutes an increase of R2,2 million (or 23,4% in nominal terms and 17% in real terms), from the R9,4 million of the previous year. The above-allocation is for Machinery and Equipment. Software and Other Intangible Assets decreased by 100% as it did not receive an allocation for 2018/19 or 2017/18.

The Annual Performance Plan for 2018/19 states that Programme 1’s aim is to:[[13]](#footnote-13)

* Improve governance processes within the Department and the PMTE through 100% compliance of management practices as per the Management Performance Assessment Tool (MPAT).
* Combat fraud and corruption in the Department and the PMTE by reducing fraud and corruption risk levels by 80%.
* Receive an unqualified audit outcome for 2017/18.
* Submit an HR Implementation Plan to the Department of Public Service and Administration (DPSA) by March 2019.
* Integrate the Construction Project Management; Condition Assessment; Scheduled Maintenance; Lease-in and Lease-out Modules into the Enterprise Resource Planning (ERP) system.
* Manage 100% of all litigation cases within the period stipulated by court procedures.
* Undertake 36 initiatives to accelerate the transformation agenda of the Department.
* Achieve a 4,0 management practice index score.
* Initiate 100% investigations of validated allegations within 30 days.
* Recommend two interventions to mitigate fraud risks within the Department of Public Works and the PMTE.
* Reduce irregular expenditure baseline by 100%.
* Settle all invoices within 30 days.
* Award 70% of Bids within 56 working days of closure of the tender advertisement.
* Award 88% of quotations within 30 working days from requisition date.
* Award 75% of procurement spend of bids to designated groups in line with the Preferential Procurement Regulations 2017.
* Fill 100% funded prioritised vacancies within 6 months from the date of advertisement.
* Implement five Property Management Modules (Condition Assessment; Scheduled Maintenance; Lease-in, Lease-out and Construction Project Management).
* Enhance four Modules, the Immovable Asset Register, Facilities Management Call Centre, Movable Assets, Lease-in (Phase II) as per the Enterprise Resource Planning (ERP) implementation plan.
* Develop a feasibility study on the ERP system for the Public Works Sector.
* Subject 100% of cases reported on fraud and corruption or misconduct to disciplinary processes.
* Prevent 100% default judgements against the Department.

A total of R114 million has been set aside over the medium term to implement the Anti-fraud and Corruption Strategy. The emphasis will be on preventative measures with clear lines of accountability, to enhance efficiency and thereby reducing opportunities for corruption as well as fruitless and wasteful expenditure.[[14]](#footnote-14)

The Department plans to consolidate, develop and manage the built environment skills development pipeline with State and non-State stakeholders. A Professional Service Branch will be established within the Department to increase its institutional capacity. The Department’s target is to have 3 235 beneficiaries participate in the skills development programme over the medium term.[[15]](#footnote-15)

### 1.2.2 Programme 2: Intergovernmental Coordination

**Programme 2 seeks to promote sound intergovernmental relations and strategic partnerships. Coordinate with provinces on: Immovable Asset Registers; construction and property management; the implementation of the Government Immovable Asset Management Act (No. 19 of 2007); and the reporting on performance information within the Public Works Sector.**

Programme 2 was one of the main programmes of the Department prior to some of its sub-programmes and functions being shifted to Programme 4 (see below). It proportionally represents 0.8% of the overall departmental budget allocation for 2018/19. Its 2018/19 allocation of R58,1 million constitutes an increase of R9,9 million. This represents a nominal increase of 20,5% (and 14,3% in real terms) from the R48,2 million allocated in the 2017/18 financial year.

Expenditure for Programme 2 for the 2018/19 financial year currently consists of the following three sub-programmes:

* *Monitoring, Evaluation and Reporting* receives an allocation of R6,3 million.[[16]](#footnote-16) This is a decrease of R7,7 million from the R14 million received in 2017/18, which constitutes a nominal decrease of 55,0% (and 57,1% in real terms) from the previous year.
* *Intergovernmental Relations and Coordination* receives an allocation of R26,1 million. This is an increase of the R16,1 million from the R10 million received in 2017/18, which constitutes a nominal increase of 161,0% (or 147,4% in real terms) from the previous year.
* *Professional Services*[[17]](#footnote-17)receives an allocation of R25,7 million. This is an increase of the R1,5 million from the R24,2 million received in 2017/18, which constitutes a nominal increase of 6,2% (and 0,7% in real terms) from the previous year.

In terms of economic classification, R52,2 million is allocated to current payments. This constitutes an increase of R9,8 million or 23,1% in nominal terms (16,7% in real terms) from the previous year.[[18]](#footnote-18) Of this amount:

* Compensation of employees consists of R36,1 million (an increase of R6,8 million).
* Goods and Services R16,2 million (an increase from R3,1 million in 2017/18) of which the following increase by R100 000:
	+ R700 000 towards Communication.
	+ R500 000 towards Operating leases.

The other increases include:

* + R6,7 million (an increase of R3,2 million) towards Departmental agency and support/ outsourced services, (which also funds the Turnaround Strategy of the Department).
	+ R3,4 million (an increase of R200 000) for Travel and subsistence.
	+ R1,1 million (an increase of R200 000) towards Operating payments.

However, the Training and Development allocation remains unchanged for 2018/19, at R1 million, similar to the adjusted allocation in 2017/18.

Programme 2’s aim for 2018/19 is to:[[19]](#footnote-19)

* Develop four Policy Frameworks for the Public Works Sector.
* Sign 55 joint service delivery agreements with public bodies across all spheres of Government.
* Review five intergovernmental governance structures.
* Identify 27 State-owned properties for student accommodation.
* Ensure the participation of 1 220 beneficiaries in the Department and the PMTE Skills Development Programme over the medium term; aimed at restoring the skills pipeline in the built environment.
* Approve five asset management service tools within the different phases of the Government Immovable Asset Management Act (No. 19 of 2007); aimed at establishing institutional capacity to manage public infrastructure programmes.

### 1.2.3 Programme 3: Expanded Public Works Programme

**Programme 3 seeks to ensure the coordination of the implementation of the Expanded Public Works Programme (EPWP) to create work opportunities; and the provision of training for unskilled, marginalised and unemployed people in South Africa.**

For 2018/19, Programme 3 is appropriated R2,57 billion[[20]](#footnote-20) which proportionally represents 34,4% of the overall departmental budget. Expenditure under Programme 3 increases at a nominal rate of 6,6% (which translates into a real increase of 1,1%). The allocations for the *Expanded Public Works Programme* (EPWP) are mainly for the *Integrated Grant for Provinces and Municipalities*; and the *Performance Based Incentive Allocations*. The allocations are now reported under the following five EPWP sub-programmes:

* EPWP: Monitoring and Evaluation receives R57,8 million. In real terms this sub-programme allocation declines by 12,3% from the previous year.
* EPWP: Infrastructure receives R1,21 billion. In real terms, this sub-programme allocation decreases by 3,6% from the previous year.
* EPWP: Operations receives R1,21 billion. In real terms, this sub-programme allocation increases by 6,5% from the previous year.
* EPWP: Partnership Support receives R79 million. This sub-programme increased by 14,5% in nominal terms and 8,5% in real terms in the allocation from the previous financial year.
* EPWP: Public Employment Coordinating Committee receives R8,1 million. In real terms, this sub-programme allocation increases by 1,0% from the previous year.

The budget allocation for Programme 3 includes current payments to the value of R326,7 million, of which R178,1 million is allocated to compensation of employees. Compensation of employees increases with 21,7 million from the R156,4 million of the previous year. This is to enhance the implementation of Phase III of the EPWP and to provide technical support to departments, municipalities, and the non-State sector to ensure that labour intensive methods and skills training are being utilised in their programmes.

Expenditure on *Goods and Services* amounts toR148,6 million, (which translates into a real decrease of 7,3 % from the previous year). Of this total, expenditure on the following items apply:[[21]](#footnote-21)

* Advertising receives R5,3 million (an increase of R3,5 million).
* Infrastructure and Planning Services receives R23,9 million (an increase of R14 million).
* Agency and Support/ Outsourced Services receives R92,7 million (a decrease of R4,6 million).
* Travel and Subsistence receives R16,4 million (a decrease of R2,1 million).
* Venues and facilities receives R1,9 million (an increase of R500 000).

The bulk of the expenditure under Programme 3 constitute transfers and subsidies amounting to R2,24 billion, (from the R2,10 billion in 2017/18) representing a nominal increase of 6,7% and (1,4% in real terms). Of this amount, R1,52 billion is assigned to provinces and municipalities and is allocated as follows:[[22]](#footnote-22)

* R720,2 million is allocated to Non-profit institutions.
* R692,9 million towards the *Integrated Grant for Municipalities*.
* R416,0 million towards the *Integrated Grant for Provinces*.
* R407,9 million towards the *Social Sector Incentive Grant to Provinces*.

Programme 3’s medium term goals are to:[[23]](#footnote-23)

* Monitor and report on 4,4 million work opportunities to be created by Public Bodies implementing the EPWP.
* Ensure Public Bodies report on the designated groups (with targets of 55 percent for women and youth respectively, and 2 percent for people with disabilities) in the programme.
* Contract 400 non-profit organisations to implement non-State sector EPWP projects over the medium term.

A number of objectives are outlined, including increasing the Department of Public Works’ participation in the implementation of Public Employment Programmes within the EPWP by March 2019:[[24]](#footnote-24)

* Public Bodies report 1 455 840 work opportunities in the EPWP Reporting System.
* Produce six Data Quality Assessment Reports.
* Provide technical support to 290 public bodies participating in the EPWP.

### 1.2.4 Programme 4: Property and Construction Industry Policy and Research[[25]](#footnote-25)

**Programme 4 promotes the growth and transformation of the construction and property industries, as well as a standardised approach and best practice in construction and immovable asset management in the public sector.**

Programme 4’s budget nominally increases from an allocation of R4 billion in 2017/18 to R4,25 billion in 2018/19,[[26]](#footnote-26) which proportionally represents 57,0% of the overall departmental budget. This allocation constitutes an increase of 6,2% in nominal terms and 0,7% in real terms.

Programme 4 consists of eight sub-programmes,[[27]](#footnote-27) including the *Property Management Trading Entity* (PMTE), which receives the bulk of the allocation, with R4,01 billion for 2018/19 from the R3,68 billion of the previous year. This constitutes an increase of R327,2 million in nominal terms and R118,2 million in real terms.

The PMTE was established in April 2006, as part of a longer-term reform programme to provide improved property management services to Client Departments. With the establishment of the PMTE, all accommodation-related costs were devolved to Client Departments. In this regard, it has been issuing invoices and collecting user charges from Clients on a quarterly basis, based on amounts devolved to them. In March 2015, the Department operationalised the PMTE, which resulted in it being shifted (along with its functions), to Programme 4.

A large portion of the budget for 2018/19 is allocated to transfers and subsidies, which amount to R4,22 billion and accounts for 99,3% of the programme budget. This constitutes an increase of R249,6 million (0,8% in real terms) from the total allocation of R3,97 billion in 2017/18.

The sub-programmes below received the following allocations for 2018/19:

* Departmental Agencies and Accounts (non-business entities) receives R4,2 billion which is an increase from the R3,8 billion received in 2017/18, of which:
	+ Agrément South Africa is allocated R30 million, (an increase of R1 million) from the R29 million allocation of 2017/18.
	+ *Construction Industry Development Board* (cidb) is allocated R73,3 million, (a decrease of R1,7 million from R75 million) and 7,1% in real terms from the previous year.
	+ *Council for the Built Environment* (CBE) receives an allocation of R50,1 million, (an increase of R1,5 million from R48,6 million) and 2,3% in real terms.
	+ *Construction, Education and Training Authority* (CETA) receives an allocation of R500 000, which remains unchanged from the amount received in 2016/17. While nominally unchanged, it constitutes decrease of 5,2% in real terms.
	+ Property Management Trading Entity (PMTE) (as noted above) receives an allocation of R4,01 billion, an increase of 3,2% in real terms.

The Department also made a transfer[[28]](#footnote-28) to the:

* Independent Development Trust receives an allocation of R28,4 million, (a decline of R82,7 million) from the R111 million allocation of 2017/18.

The *Construction Policy Development* sub-programme receives an allocation of R46,4 million in 2018/19, which is an increase of R400 000 or 0,9% in nominal terms, but (a decrease of 4,4% in real terms). The *Property Policy Development Programme,* receives an allocation of R14,6 million, which is a decrease of R1,1 million, and 11,9% in real terms.

Foreign Governments and International Organisations[[29]](#footnote-29) receives R27,5 million, an increase of R5,2 million, (16,9% in real terms) from the R22,3 million allocated in 2017/18. This is mainly to address the fluctuations in the exchange rate when transferring the funds. The current weakening of the Rand against the major foreign currencies may result in the Department requiring an increase in its allocation from National Treasury.

Current Payments totals R30,5 million, which is a decrease of R700 000 (7,3% in real terms) from the R31,2 million adjusted allocation in 2017/18. Of this amount:[[30]](#footnote-30)

* Compensation of Employees, receives an allocation of R13,1 million, which is a decrease of R2,4 million (19,9% in real terms) from the R15,5 million adjusted allocation in 2017/18.

Goods and Services totals R17,4 million for 2018/19. This constitutes an increase of R1,8 million (5,7% in real terms) from the R15,6 million allocation of the previous year. Expenditure is intended for the following:[[31]](#footnote-31)

* Advertising receives R900 000 (an increase of R200 000) from the allocation of R700 000 in 2017/18.
* Consultants: Business and Advisory Services receives R13,6 million (an increase of R3,5 million) from the allocation of R10,1 million in 2017/18.

The following allocations increase by R100 000:

* Agency and Support/Outsourced Services receives R800 000 from the allocation of R700 000 in 2017/18.
* Consumables: Stationery, printing and office supplies receives R500 000 from the allocation of R400 000 in 2017/18.
* Communication receives R400 000 from the allocation of R300 000 in 2017/18.

Over the medium term, Programme 4 aims to research and develop:[[32]](#footnote-32)

* Policies and legislative prescripts for the construction and property sectors.
* Three legislative prescripts for the Public Works Bill, the Construction Industry Development Board Act (No. 38 of 2000) and the Council for the Built Environment Act (No. 43 of 2000) and the Council for the Built Environment Act (2000).

The 2018/19 Targets include:[[33]](#footnote-33)

* Submit Draft Public Works Bill to the Minister for gazetting for public comment.
* Submit cidb Amendment and CBE Amendment Bills to the Minister for gazetting for public comment.
* Submit the Built Environment Professional Councils Amendment Bills to the Minister for gazetting for public comment.

### 1.2.5 Programme 5:[[34]](#footnote-34) Prestige Policy

**Programme 5 seeks to provide norms and standards for the Prestige Accommodation Portfolio and meeting the protocol responsibilities for State functions.**

The budget for Programme 5 increases to R97,9 million in 2018/19 and proportionally represents 1,3%, of the overall departmental budget. The increase from the R84,6 million in the previous year represents a nominal of increase of 15,7% and 9,7% in real terms.

A large portion of the budget is allocated to current payments, which amount to R79,2million. A total of R27,6 million is allocated towards compensation of employees.

The remaining R51,6 million is allocated to goods and services as follows:[[35]](#footnote-35)

* Minor Assets receives R5,8 million.
* Contractors receives R37,3 million.
* Travel and subsistence receives R3,9 million.

The other R10,6 million of the budget is allocated to Transfers and Subsidies (S&T). The transfer budget includes an allocation of R10,4 million to Departmental Agencies and Accounts (Parliamentary Villages Management Board), and R8,1 million to Payment for Capital Assets (Machinery and Equipment).

The 2018/19 Targets include the improvement of service delivery services to prestige clients over the medium terms:[[36]](#footnote-36)

* Develop and monitor six Prestige Policies.
* Support 35 planned State events with movable structures.
* Provide movable assets to Prestige clients within 60 working days.

**Human Resources**

The Department of Public Works has a total of 1 009 positions to the establishment. This is 281 more compared to the 728 positions in the 2017/18 financial year. Of these 677 are permanent which is 100 more than the 577 positions that were permanent in 2017/18. In 2018/19, 196 are additional to the establishment compared to the 758 that were additional in 2017/18. The Department also has 332 vacant positions[[37]](#footnote-37).

The Department is implementing a Talent Pipeline Strategy to address the vacancy rate and the shortage of critical skills. The Talent Pipeline Programme aims to produce professionals in the Built Environment and Property professions.

The Department developed and implemented an Integrated Human Resource Plan that focused on an intensive recruitment drive to ensure that the Department has the required skills and competencies to deliver on its mandate and objectives. The Plan further proactively addresses the Department’s long-term requirements.[[38]](#footnote-38)

**2. The Property Management Trading Entity (PMTE)**

The DPW describes the purpose and functions of the PMTE as a government component that has been created “… to manage properties under the custodianship of the Department. In the prior years, the PMTE incurred all the expenses and collected the revenue for the properties (which was recognised by the Department) and not by the PMTE prior to the transfer of functions. The PMTE was operationalised in the 2015/16 financial year, and the Department transferred certain property management functions, (including the related assets, liabilities and staff), to the PMTE to align the expenses and revenue to the underlying assets.”[[39]](#footnote-39)

The focus of the PMTE is to execute all property management related functions for National Government. The PMTE thus implements all public works related functions such as the maintenance of properties, and the payments of property rates on behalf of the Department of Public Works. All accommodation-related costs were devolved to Client Departments when the PMTE was operationalised. This means that the Department issues invoices and collect user charges from Clients on a quarterly basis.

In addition to collecting user charges, the PMTE is correctly placed to unlock the value of the large property portfolio of government that is contained in the immovable asset register (IAR). Together with the collection of user charges the PMTE should theoretically generate funds with which government could undertake maintenance as well as other crucial tasks in the public works sector. This remains a theoretical challenge that the DPW and PMTE is working to put into action in the medium to long term.

In its meetings with the PMTE, the Committee found that it did not work efficiently as it lacked the relevantly qualified and experienced property specialists. The Department indicated to the Portfolio Committee that some of the vacancies required by the PMTE included property economists, property managers, specialist chartered accountants, property lawyers, and property valuators. The DPW reported that these positions were being filled.[[40]](#footnote-40) Unfortunately, these specialist skills make it a very competitive terrain meaning that properly qualified and experienced personnel easily move from the PMTE to private property companies. The challenge is to fill and keep such personnel in positions in the PMTE. Failure to do this, means that the DPW and PMTE continue to operate at a disadvantage, particularly when signing lease agreements with landlords from the private sector.

The PMTE struggles to have an authoritative grasp of the value that is contained in the IAR and struggles to invest the property portfolio in manners that benefit the state and its beneficiaries. Measurement of the state property portfolio remains incomplete and in progress. The property values stated in the 2015/16 Annual Report represent provisional amounts as measurement initiatives are still in progress. These values will be updated to comply with the Generally Recognised Accounting Practice (GRAP) Requirements.[[41]](#footnote-41)

**2.1. The PMTE Budget**

### Allocations to Programmes

|  |  |
| --- | --- |
| **Programme** | **Budget** |
| **R million** | **2017/18** | **2018/19** |
| **1. Administration** |  712,0 |  1 132,9 |
| **2. Real Estate Investment Services**  |  117,8 |  131,4 |
| **3. Construction Project Management** |  274,9 |  318,2 |
| **4. Real Estate Management**  |  10 874,7 |  10 475,3 |
| **5. Real Estate Information and Registry Services** |  72,2 |  108,9 |
| **6. Facilities Management Services** |  3 202,5 |  3 269,6 |
| **TOTAL** |  **15 254.1** | **15 436,3** |

Source: National Treasury (2017/18 and 2018/19)

The PMTE receives an allocation of R15,44 billion for the 2018/19 financial year, which is an increase of R182,2 million. This constitutes a nominal increase of 1,2% (or 4,1% decrease in real terms) from the revised appropriation of R15,25 billion in 2017/18.

### 2.2 Programme 1: Administration provides strategic management, governance and administrative support to the PMTE.

The total allocation for Programme 1 equals R1,13 billion for the 2018/19 financial year, which is an increase of R420,9 million. This constitutes a nominal increase of 59,1% (or 50,8% in real terms) from the revised appropriation of R712,0 million in 2017/18.[[42]](#footnote-42)

The following targets are reported for the 2017/18 financial year[[43]](#footnote-43):

* Settle 100% of all compliant invoices within 30 days.
* Identify and incubate two new revenue generating sources.
* Issue 15 identified User Departments with itemised billing.
* Approve Financial Model.
* Award 60% of bids within the 56 working days of closure of tender advertisement.
* Award 77% of quotations within 30 days from the requisition date.
* Award 75% of procurement spend for bids to designated groups in line with Preferential Procurement Regulations 2017.
* Award 75% of bids to designated groups in line with Preferential Procurement Regulations 2017.

The PMTE continues to drive specific initiatives for implementation over the short to medium term to increase revenue. This includes the following:[[44]](#footnote-44)

* Eliminate non-essential expenditure and implement measures to contain costs and ensure that value for money is achieved.
* Let out vacant surplus State-owned properties at market-related rental prices.
* Market the State property portfolio to the public.
* Conduct regular assessments of the leased out properties.
* Ensure the implementation of debt collection as per the Revenue Management Policy.
* Maintain State-owned properties.

### 2.3. Programme 2: Real Estate Investment Services seeks to achieve an efficient and competitive Real Estate Portfolio for the State through effective planning, analysis and informed investments.

The total allocation for Programme 2 equals R131,4 million for the 2018/19 financial year, which is an increase of R13,6 million. This constitutes a nominal increase of 11,5% (or a real increase of 5,7%) from the revised appropriation of R117,8 million in 2017/18.[[45]](#footnote-45)

Under the *User Demand Management* sub-programme the targets are reported as follows*:[[46]](#footnote-46)*

* Receive 42 User Asset Management Plans (U-AMPs) from User Departments.
* Sign off on 10 infrastructure work lists.
* Approve the Customer Relationship Management Strategy.

*Real Estate Investment Management Services* sub-programme plans to:[[47]](#footnote-47)

* Align four Government Precinct Development Plans with the Integrated Development Plans (IDPs) of identified municipalities (urban and rural).
* Establish three sites for development
* Complete five concept designs for identified User Departments.
* Complete 90% of feasibility studies within the scheduled timeframes.
* Complete 90% of valuations within the scheduled timeframes.
* Process 90% of disposal requests by 31 March 2019.
* Submit one Custodian Asset Management Plan (C-AMP) to National Treasury.
* Measure 800 facilities performance in identified performance areas.

### 2.4. Programme 3: Construction Project Management seeks to provide effective and efficient delivery of accommodation needs for the Department of Public Works and User Departments through construction and other infrastructure improvement programmes.

The total allocation for Programme 3 equals R318,2 million for the 2018/19 financial year, which is an increase of R43,3 million. This constitutes a nominal increase of 15,8% (or a real increase of 9,7%) from the revised appropriation of R274,9 million in 2017/18.

A select number of targets are reported as follows:[[48]](#footnote-48)

* Approve 83 infrastructure project designs.
* Approve 128 infrastructure projects ready for tender.
* Hand over 105 infrastructure sites for construction.
* Complete 105 infrastructure projects.
* Complete 80% (84) of infrastructure projects within agreed construction period.
* Complete 80% (84) of infrastructure projects within approved budget.
* Create 7 511 Expanded Public Works Programme (EPWP) work opportunities through construction projects.
* Reduce 20% of infrastructure project backlogs in the construction phase.
* Incubate 297 contractors through the Contractor Incubator Programme (CIP).

### 2.5. Programme 4: Real Estate Management Services seeks to provide and manage Real Estate Portfolio in support of Government social, economic, functional and political objectives.

The total allocation for Programme 4 equals R10,48 billion for the 2018/19 financial year, which is a decrease of R399,4 million. This constitutes a nominal decrease of 3,7% (or a real decrease of 8,7%) from the revised appropriation of R10,87 billion in 2017/18.

A select number of targets are reported as follows:[[49]](#footnote-49)

* Procure 60% of new leases according to User Departments’ minimum requirements.
* Vacancy rate of 3% on unutilised buildings.
* Sign 600 lease agreements within scheduled timeframes.
* Save R200 million on identified private leases.
* Award 30% of new leases to Broad-Based Black Economic Empowerment companies.
* Reduce 12 private leases within the Security Cluster.
* Increase revenue generation by 10% through the letting of State-owned properties (excluding harbour properties).
* Let out 65% of identified vacant surplus State-owned properties.
* Verify to confirm occupation status of 400 State-owned properties. Rectify the occupation status of 20 State-owned properties.
* Complete three Spatial and Development Frameworks (SDFs) for identified rural coastal towns.
* Revenue increased by 10% through rental of State-owned and small harbours and coastal properties.
* Create 1 000 work opportunities through the letting of State coastal properties and small harbours.

### 2.6. Programme 5: Real Estate Information and Registry Services seeks to develop and manage a complete, accurate and compliant Immovable Asset Register to meet service delivery objectives for the State, Department and PMTE business requirements.

The total allocation for Programme 5 equals R108,9 million for the 2018/19 financial year, which is an increase of R36,7 million. This constitutes a nominal increase of 50,8% (or a real increase of 43%) from the adjusted appropriation of R72,2 million in 2017/18.

A select number of targets are reported as follows:[[50]](#footnote-50)

* Process the transfer of 80% of disposals approved in 2017/18.
* Update 100% of immovable assets on the Immovable Asset Register (IAR) of completed infrastructure projects.
* Vest (confirm ownership) of 800 land parcels.
* Physically verify and validate the existence of 19 708 immovable assets.
* Undertake assessments to determine the condition of significant components of 15 031 buildings.
* Asses 9 Provincial IARs for compliance.
* Incorporate 4 National and Provincial IARs into the National Database of State properties.

### 2.7. Programme 6: Facilities Management seeks to ensure that immovable assets used by Government Departments and the public, are optimally utilised and maintained in a safe, secure healthy and ergonomic environment while contributing to job creation, skills development and poverty alleviation.

The total allocation for Programme 6 equals R3,27 billion for the 2018/19 financial year, which is an increase of R67,1 million. This is an increase of 2,1% in nominal terms (or a decrease of 3,2% in real terms) from the revised appropriation of R3,20 billion in 2017/18.

A select number of targets are highlighted:[[51]](#footnote-51)

* Put in place scheduled maintenance contracts for 500 buildings.
* Resolve 15% of unscheduled reported maintenance incidents within agreed timeframes.
* Award 35% of term contracts to the Broad-Based Black Economic Empowerment (BBBEE) companies.
* Reduce energy consumption for identified buildings by 150 000 000 Wh.
* Generate 10 400 000 Wh renewable energy.
* Reduce water consumption for identified buildings by 8 000 000 kl.

Capital Works and Leasing to provide accommodation

The PMTE provides office and residential accommodation to 52 Client Departments. The accommodation requirements of Client Departments means that the PMTE plans the construction of head office buildings, high courts, precinct developments, correctional centres, and police stations. It also embarks on construction to upgraded existing buildings and premises.[[52]](#footnote-52)

In terms of capital requirements this demand for new space by Client Departments equals 966 435 m² and requires a total capital amount of R4,75 billion over the 2018/19 – 2020/21 MTEF period. The largest demand for space is the South African Police Service (SAPS), that requires 510 215 m², at a total cost of R1,68 billion. Home Affairs requires the least accommodation space of 9 565 m², at a total cost of R186,1 million over the MTEF period.[[53]](#footnote-53)

In addition to infrastructure development, an amount of R1,81 billion is required to lease new accommodation space of 471 942 m² over the three-year MTEF period. The Justice and Constitutional Development User Department requires the largest portion of leasing at 220 000 m², at a total cost of R1,23 billion over the MTEF period. The Military Veterans requires the least space to be leased at 920 m², at a total cost of R74,6 million over the MTEF period.[[54]](#footnote-54)

Beyond leasing of new space and capital works, the PMTE also provides for, maintenance services, infrastructure replacement, upgrades and additions.

### Infrastructure allocations to PMTE sub-programmes[[55]](#footnote-55)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Infrastructure Programme R’ million | Number of Projects | Project Description | Municipality | Output | Revised Estimate 2017/18 | 2018/19 |
| 1. Departmental  | 33 | Various | Various | Various | 170,7 | 180,6 |
| 2. Accessibility | 100 | Various | Various | Various | 24,5 | 15,3 |
| 3. Dolomite Risk Management  | 33 | Various | Various | Various | 114,4 | 121 |
| 4. Land Ports of Entry  | 99 | Various | Various | Various | 200,7 | 216,6 |
| 5. Inner City Regeneration | 10 | Various | Various | Various | 61,8 | 84,7 |
| 6. Prestige | 54 | Various | Various | Various | 176,3 | 186,5 |
| Total  | 329 |  |  |  | 748,4 | 804,7 |

The table above outlines the infrastructure programme of the PMTE, which consist of a total of 329 projects for 2018/19. A total of R804, 7 million was allocated for 2018/19, an increase of R56,4 million from the R748,4 million revised estimate of 2017/18. The largest number of projects falls under Accessibility with 100 projects, followed by Land Ports of Entry with 99 projects.

The Accessibility programme’s allocation is the only one that decreased in 2018/19. The programme declined by R9,2 million to R15,3 million in 2018/19, from the R24,5 million revised estimate of 2017 /18. The Accessibility programme received the least of the total allocation, namely 1,9%.

The Land Ports of Entry Programme received the largest share, namely R216,6 million, which constitutes 26,9% of the total allocation of R804,7 million for 2018/19. The allocation increased by R15,9 million to R216,6 million in 2018/19 from the R200,6 million in 2017/18.

The number of projects under the Infrastructure Programme, New Replacement, Upgrades and Additions in the Annual Performance Plan (APP) of the PMTE, differs from that reported in the 2018 Estimates of National Expenditure (ENE). The total number of projects under the 6 Infrastructure programmes in the APP equal 329, while those reported under the 2018 ENE equal 408 projects. This constitutes a difference of an additional 127 projects reported in the in ENE compared to the 329 reported in the APP.

**Human Resources**

The PMTE has a total of 6 861 posts on its establishment of which 3 923 are permanent filled positions, and 2 938 are vacant. A total of 760 positions are filled additional to the establishment. This may delay the filling of vacant positions. It brings into question the implementability of what the APP of the PMTE refers to as an integrated Human Resources Plan. Specifically, the appointment of the requisite personnel achieve its strategic goals is brought into question.

### Summary of Critical Occupations - PMTE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Critical Occupants[[56]](#footnote-56)** | **Number of Filled Positions** | **Number of Expected Retirements in a 5-year Period**  | **Number of Current Vacancies**  | **Total Required** |
| 1. Architects | 34 | 3 | 20 | 23 |
| 2. Civil Engineering  | 11 | - | 21 | 21 |
| 3. Chemical Engineering | 16 | 6 | 33 | 39 |
| 4. Electrical Engineering  | 2 | - | 27 | 27 |
| 5. Mechanical Engineering  | 3  | 1 | 21 | 22 |
| 6. Construction Project Management | 174 | 47 | 144 | 191 |
| 7. Quantity Surveyors | 18 | 5 | 22 | 27 |
| 8. Town Planning | 15 | 2 | 18 | 20 |
| **Total** | **273** | **64** | **306** | **370** |

While the table above provides a summary of the critical occupations required by the PMTE to fulfil its mandate, it . Unlike in the past, the PMTE does not provide a column that indicate the total number of critical occupation positions available on its establishment. Instead, it reports on the following four areas:

* Number of filled positions.
* Number of expected retirements in a 5-year period.
* Number of current vacancies.
* Total required.

 Of this amount a total of 273 posts are filled and 64 are reported as the expected number of retirements in a 5-year period. The PMTE also has 306 current vacancies and 370 total required posts.

The highest vacancy, fall under Construction Project Management with a total of 144 vacancies and 47 number of retirements expected in a 5-year period. This constitute 191 positions, however, it is unclear where the 174 filled positions fit into the overall staff complement.

The second highest vacancy is under Chemical Engineering with a total of 33 vacancies and shows that six retirements are expected in a 5-year period. This constitute 39 positions; however, it is unclear where the 16 filled positions fits into the overall staff complement.

The lowest number of filled posts falls under Electrical and Mechanical Engineering, with respectively two and three positions filled. However, the Electrical and Mechanical Engineering respectively report vacancies of 27 and 21 positions.

The PMTE has highlighted the challenge in filling these built environment specialist positions. It is implementing various technical capacity building initiatives to address these requirements; such as the “tailored Capacity Building Programmes[[57]](#footnote-57) in partnership with the South African Property Owners Association (SAPOA) and the Coega Development Corporation (CDC); the Professionalisation of Property Managers Programme; Young Professionals Programme; and the Cuban Technical Advisors (CTAs) Programme.” [[58]](#footnote-58)

The PMTE plans to place candidates for registration of permanent employees and the youth (participating in the Young Professionals Programme) with service providers contracted with the PMTE to provide training and mentoring. Once registered, the professionals will be placed in permanent technical positions or linked to Facilities Management Service Centres (workshops)’ maintenance programmes (as specialists in HVACs, Lifts, Boilers etc.).[[59]](#footnote-59)

The rest of the report deals with the entities that report to the Minister of Public Works.

 **4. Agrément SA (ASA)**

**4.1. Setting up the ASA as a legal entity**

Agrément South Africa (established through a Ministerial Determination in 1969), is one of four entities reporting to the Minister of Public Works. It was constituted as a juristic person through the Agrément South Africa Act (No. 11 of 2015).[[60]](#footnote-60)

The Agrément SA has operated independently from 1 April 2018 following the legislative process to establish the entity.[[61]](#footnote-61)

**4.2. Mandate**

Agrément South Africa is a statutory Board established in terms of the Agrément South Africa Act (No. 11 of 2015) with the following objectives to:[[62]](#footnote-62)

* “Provide assurance to specifiers and users of fitness-for-purpose of non-standardised construction related products or systems.
* Support and promote the process of integrated socio-economic development in the Republic as it relates to the construction industry; support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market.
* Support policymakers to minimise the risk associated with the use of non-standardised construction related product or system.
* Be an impartial and internationally acknowledged South African centre for the assessment and confirmation of that for purpose of non-standardised construction related products or systems.
* Agrément South Africa will discharge its responsibilities through certification of innovative non-standardised products and systems impartially and without undue influence and keep records of the same.”

**4.3. Vision[[63]](#footnote-63)**

To be a world-class centre for technical assessment.

**4.4. Mission**

Enhance Agrément South Africa’s position as the internationally acknowledged, objective South African centre for the Assessment and certification of non-standardised construction related products and systems for which there are no SABS[[64]](#footnote-64) standards.

**4.5. Stakeholders**

Agrément South Africa is a founding member (and internationally affiliated through its membership) of the World Federation of Technical Assessment Organisations (WFTAO), which was established in 1996.[[65]](#footnote-65) It is a worldwide network for co-ordinating and facilitating the technical assessment of innovation in the construction field.

WFTAO's primary objective is to facilitate the transfer of national products to the global marketplace through the acceptance of technical assessments delivered by its members. Assessments delivered by a WFTAO member will:[[66]](#footnote-66)

* “Provide a means of demonstrating the fitness for purpose of the product with building regulations.
* Be more readily accepted by building control personnel.
* Show that the holders manufacturing and Quality Assurance (QA) systems meet high standards.
* Save valuable selling time, by using acceptance of new products in a conservative market.
* Provide a good opportunity for media coverage for the holders to use the distinctive WFTAO logo on advertisements.”

In addition to its ties with the WFTAO, it maintains close working relationships with the following government departments, entities and agencies:[[67]](#footnote-67)

* Department of Trade and Industry.
* Construction Industry Development Board (CIDB).
* Council for the Built Environment (CBE).
* Independent Development Trust (IDT).
* International Council for Building, Research Studies and Documentation (CID).
* National, provincial, and local government departments (for example the Department of Human Settlements).
* South African Bureau of Standards (SABS).
* South African National Roads Agency Limited (SANRAL).
* National Regulator for Compulsory Standards.
* National Home Builders' Registration Council (NHBRC).
* Technology and Innovation Agency.
* South African Revenue Services (SARS).
* National Treasury.

**4.6. Budgetary allocations to programmes**[[68]](#footnote-68)

The creation of Agrément South Africa as a separate legal entity means that the organisation requires more funding to fill vacant positions that were fulfilled by the CSIR (as noted above).



Agrément South Africa has a total allocation of R34,8 million for the 2018/19 financial year, which is an increase of R6,4 million from the R 28,4 million allocation of 2017/18. The total budget consists of the following:

* R29,9 million – External Income.
* R4,8 million – Other Income.

Apart from the costs for Human Resources (to be discussed below), the Entity reports on the following expenditure:

* R15 million – Running Costs, consisting of:
	+ R5,5 million – Other Technical Assessments Costs.
	+ R3,5 million – Quality Management.
	+ R803 000 – Building, Equipment Repair and Maintenance.
	+ R368 000 – Stationary, printing of the Annual Report, newsletters and other leaflets.
* R640 million **-** Other Costs resulting from deprecation.

Since operating as a juristic personality, Agrément SA reports on the following programmes:

**Programme 1: Financial Management** the following targets are listed:

Over the short term period (2017/18 – 2018/19), the programme lists the following targets:

* Test and implement practical budget and analysis tools, systems and procedures,
* Develop a mechanism of evaluating and reporting financial performance monthly,
* Develop standard operating procedures with turn-around times to ensure accurate measurement of supplier performance and supply chain management (SCM) unit.

Over the medium term (2019/20 - 2020-2021), the programme lists the following:

* Raise awareness to Agrément South Africa staff of SCM process and standard operating procedures with continuous training including Bid Committee members and other role players,
* Develop Agrément South Africa suitable financial plan.

**Programme 2: Corporate Services**

In the 2017/18 financial year, Agrément South Africa identified the lack of specialised skills in the organisation as a potential risk which could affect its ability to fulfil its mandate. One of the mitigating strategies it was planning to develop was a comprehensive Staff Retention Policy, and improve the remuneration, especially of the technical staff members.[[69]](#footnote-69)

In its APP for 2018/19 to 2020/2021, the following are listed in response to this identified risk:

* HR manager should find the right talent and create the right environment in which people can perform,
* Cascading of employee performance to more levels within Agrément South Africa;
* Annually conduct customer satisfaction surveys,
* Build capacity within Agrément South Africa to be able to conduct customer satisfaction surveys in-house,
* Implement communication and customer relation plans,
* Conduct awareness surveys annually to determine whether initiative are improving the image and brand of Agrément South Africa,
* Measure progress, review and implementation communication and customer relations plans,
* Build internal capacity to conduct awareness surveys and compile reports,
* Implementation of brand awareness campaigns and communication strategies,
* Cascading of employee performance to all employees within Agrément South Africa,
* Develop a custom/tailored people strategy to the specific business requirements. This will allow Agrément South Africa to be more competitive in attracting scarce expertise,
* Concentrate on developing talent management skills in-house. These skills are needed all the time.

**Programme 3: Information and Communication Technology:**

* Develop integrated data migration system,
* To conduct business process review on a continuous basis,
* To upgrade and maintain cost-effective ICT infrastructure and capability,
* To guide and control responsible ICT utilisation of users.

The programmes Technical Assessment Evaluations, Product and Systems, and Quality Control deal with the technical assessment, products and systems and quality control through which the entity tests innovative systems and products that are fit for purpose in the built environment and construction industry.

**Matters that emerged from deliberations:**

4.61. The entity reported that it had insufficient capacity to deliver on its mandate due to the availability of scarce skills.

4.6.2. A lot of innovative material and systems were being developed for use in the sphere of social infrastructure development – storm water systems, foundations, and top structures. A number of houses in Eastern Cape and Western Cape used systems and materials tested by ASA. The impact of systems and materials tested by ASA was therefore materially evident.

4.6.3. Members made it clear that for impact on the ground to be made effectively and efficiently, the products had to be cheap enough for communities to use. If it was too expensive, innovative products and systems may be inefficient.

**5. The Independent Development Trust (IDT)**

The IDT was established in 1990, as a temporary grant-making agency by the former apartheid government. It was set up with a R2bn government endowment grant that was invested, and the returns was to be used for development purposes in poor communities.

In 1997 the first democratic government changed the IDT’s mandate from being independent to that of a “government agency that will implement projects which are commissioned by government departments”. The idea was that the invested endowment grant, in combination with project cost which client departments would pay to the IDT, would mean that the entity did not need to be funded by the fiscus. Unfortunately, the enhanced mandate, and due to the massive social infrastructure backlogs in poor communities, meant that the IDT’s project load was vastly increased. The cost of projects that should have funded the IDT did not have the desired result as higher number of projects that went unpaid over a long period, actually eroded the capital base of the IDT.

In 2006 in an effort to ensure longer-term sustainability, the IDT initiated a “cost recovery” principle to its projects, Unfortunately, this approach did not bring the financial stability that was required.

Government remains convinced that the IDT has a key role to play as a project manager of social infrastructure construction. The IDT developed a specific niche in the form of community consultation and participation in decision- making as part of the planning, construction and maintenance of social infrastructure. The community ownership that was part of its social infrastructure project management is a vital cog in future social development initiatives of government in the Presidential Infrastructure Coordinating Commission (PICC)[[70]](#footnote-70).

In the PICC, the DPW is a key role-player in Strategic Integrated Project (SIP) 13[[71]](#footnote-71) that addresses the backlog in educational infrastructure. The IDT is playing a critical role as an implementing agency in the eradication of unsuitable school structures and in the beautification of schools.

In order to consolidate these synergies between the IDT and DPW, government is working on a new business plan, which will see the IDT become a Schedule 3A Public Entity reporting to the Minister of Public Works. This will enable the IDT to give effect to the 1997 Cabinet mandate to be “a government development agency that will implement projects which are commissioned by government departments”.

5.1. An Overview of the 2018/19 Annual Performance Plan

The IDT is set up as a strategic partner in the management, integration and implementation of certain government’s development programmes. It plays a key role as implementer of social infrastructure projects. It also assists the Department of Public Works in efforts to address the priorities of job creation and sector skills development. The IDT further contributes to the work of other entities in the built environment and construction industry through the promotion of alternative construction initiatives in the building of school infrastructure. It also invests in professional registration of built environment employees, and supports human resources and talent development.

The role of the IDT in addressing the priorities of job creation and skills development sees the entity play a key part in EPWP projects with other departments and municipalities.[[72]](#footnote-72)

In its Annual Performance Plan, the IDT claims that it mainly generates income from management fees derived from managing the implementation of social infrastructure projects on behalf of government. In spite of this claim, it actually struggles to collect management fees from departments and municipalities.

The IDT was unable to generate revenue as per the claim made in its Annual Performance Plans since 2014. It ascribes this challenge in its presentation to the Committee as “Owing to operational, governance and financial challenges experienced over the last three years”. The IDT has been unstable in terms of both financial income as well as management and government has had to take steps to reposition and renew it.

This process of renewal and repositioning was approved by the Board and included an Operating Model and Turnaround Plan. The Executive Authority and the Department of Public Works has assisted to secure transition funding, as a structured response to the entity’s mentioned operational and financial challenges.

To assist the entity, the DPW made an allocation from *Programme 4:* *Property and Construction Industry Policy and Research* of R28,4 million that is a decline of R82,7 million from the R111 million allocation of 2017/18.

The IDT reports on two programmes:

* Programme 1: Integrated Service Delivery.
* Programme 2: Administration.

The business focus strategy includes strengthening of new business growth areas within the social infrastructure sector. It also plans to focus on the implementation of some of the long- and medium-term outcomes of the Turnaround Strategy, such as:

* Expansion of the revenue base and confidence-building;
* Corporate and financial governance;
* Reputation Management Plan; and
* Finalisation of the IDT Business Case.

In its APP, the IDT showed a budget for 2018/19 amounting to R6,12 billion which is a decrease of R1,5 billion from the R4,67 billion of 2017/18.

The IDT lists the following under revenue[[73]](#footnote-73):

|  |  |
| --- | --- |
| Management Fees (Confirmed) | 135,888 |
| Management Fees (New Business) | 135,000 |
| Management Fees (Non-State Sector EPWP) | 42,127 |
| BECPS Revenue | 28,176 |
| Government Grant | 28,362 |
| Other income | 7,000 |

The Revenue of the IDT consists of the following:[[74]](#footnote-74)

* Management Fees: Confirmed - R135.9 million for 2018/19 (a decrease of R38.5 million) from the R174.4million for 2017/18.
* Management Fees: New Business - R135 million for 2018/19 (an increase of R104.9 million) from the R30.1 million for 2017/18.
* Provision based on 5.0% of gross Management Fees for 2018/19 (from the 4.9% in 2017/18), an increase of 0.1% in 2018/19.
* Management Fees: NSS EPWP R42.1 million for 2018/19 (an increase of R13.5 million) from the R28.7 million for 2017/18.
* BECPS Revenue R28.2 million for 2018/19, a 100% from the 0 allocation in 2017/18.
* Government Grant: R28.4 million in 2018/19 (a decline of R82.7 million) from the R111.1 million for 2017/18.
* Investment Income: R7 million in 2018/19, (a decline of R4.1 million) from the R11.1 million reported in 2017/18.

This makes up the total income of R376,5 million for the 2018/19 financial year.

The overheads totals R 349,2 million consisting of the following:

|  |  |
| --- | --- |
| Employee costs | 200,506 |
| Costs to restructure the IDT | - |
| BECPS costs | 10,931 |
| Travelling and Accommodation | 23,972 |
| Consultation fees | 9,692 |
| Legal costs | 11,616 |
| Operational expenditure | 92,440 |

This means that for 2018/19 the IDT shows operational expenditure (OPEX) of R27,4 million. The IDT shows Capital Expenditure amounting to R69,9 million. This means that for this financial year, the IDT shows a deficit of R42,5 million.

**5.4. Challenges noted**

In 2017/18, the IDT reported on challenges related to the migration of the financial reporting system. The Great Plains financial reporting system migration process resulted in:[[75]](#footnote-75)

* Material take-on balances and had an impact on the underlying financial information and account balances within Project Accounting Revenue and Accounts Receivable Environment.
* Capturing of supplier invoices into the system timeously, particularly related to the expenditure of funds transferred by Client Departments to the IDT.
* The lack of standardised processes, adequate supervisory controls, requisite skills and resources compounded the capturing of supplier invoices.

The IDT has implemented Standard Operating Procedures (SOPs), automation and built-in system controls and capacitating critical functional areas.

**Matters that emerged from deliberations:**

1. The critical matters reported on in the 2017/18 financial year, remain largely the same. The entity continues to face cash flow challenges. National Treasury was aware of the matter and was working with the IDT and DPW to find a working solution. In 2014 already National Treasury published an instruction note (04 of 2014/15) that prescribed market-related management fees that the IDT may charge departments, constitutional institutions and public entities listed in schedule 2 and 3 of the PFMA (1999). The Committee noted that the IDT received a grant transferred from the DPW’s Programme 4 totalling R28, 3 million and in spite of this, it continues to run at a deficit for the year amounting to R42,4 million.

2. In the previous financial year the Committee stated that “the process of transforming the entity into a more relevant and sustainable one for the future as contained in a new business case was being drafted and processed to Cabinet in collaboration with relevant departments such as National Treasury, and the Department of Public Service and Administration.” This year it states that urgent intervention is required as the IDT is not operating as a business should.

3. Due to the urgency of transforming the IDT, and the nature of governance challenges, the Committee requested that a specific date be set aside to engage in a focused manner on these challenges.

**6. The Construction Industry Development Board (CIDB)**

The CIDB reported that it underwent a collaborative and consultative process to change its mission, strategic goals and indicators. It presented it as follows:

**Strategic mission**

The CIDB presented a reviewed mission that stated the following:

“We exist in order to regulate and develop the construction industry through strategic interventions and partnerships”.

**Strategic goals and indicators to reach the stated mission:**

**An inclusive, growing construction industry:** To transform the construction industry by increasing infrastructure spend to support and reflect the demographics of South Africa.

**Indicators:**

* Percentage construction Gross Fixed Capital Formation of GDP.
* Percentage public Sector Contract Awards Index.
* 5-Year Independent Review and Impact Assessment.

**Innovative and thriving construction industry:** Provide mechanisms and support to enterprises to be competitive and sustainable and to deliver value for money within the construction industry.

**Indicators:**

* Percentage contractor and PSP satisfaction with clients’ index.
* Percentage client satisfaction with contractors and PSPs index.
* Percentage artisan development index.

**Be a reputable regulator:** To regulate the construction industry in the public interest to ensure a fair, inclusive, ethical, transformed, enabling and reputable construction environment.

**Indicators:**

* Code of Conduct Investigations Finalised within 6 Months.
* Percentage sanctions per 1 000 Contractors (Grades 2 to 9).
* Percentage Register of Contractors (ROC) effective index.
* Percentage Register of Project Compliance index.
* Percentage Provincial Performance Index.

**Working in Alliance:** Pursuing progressive partnerships and alliances with industry stakeholders to achieve cidb's strategic intent.

**Indicator:** Percentage CIDB Perception and Acceptance index.

**Sound corporate governance:** An effective, efficient adequately structured well-governed and sustainable institution.

**Indicator:** A clean audit outcome.

**The budget is the main resource to achieve the above stated goals:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2017/18** | **2018/19** | **2019/20** |
| **1. Administration**  | 75 967 | 77 693 | 82 044 |
| **2. Regulation and Advocacy** | 64 710 | 67 628 | 71 415 |
| **3. Development and Capacitation** | 13 303 | 13 914 | 14 693 |
| **4. Industry Performance and Transformation** | 14 497 | 15 188 | 16 039 |
| **Total** | **168 477** | **174 423** | **184 191** |

The total programme budget for the CIDB equals R174.4 million for 2018/19, an increase of R5.9 million from the R166.5 million in 2017/18. The allocation for the four programmes is as follows:[[76]](#footnote-76)

* Administration received R77.7 million for 2018/19, (an increase of R1.7 million), from the R75.9 million in 2017/18.
* Regulatory and Advocacy received R67.6 million (an increase of R2.9 million), from the R64.7 million in 2017/18.
* Development and Capacitation received R13.9 million (R611 000), from the R13.3 million in 2017/18.

Industry Performance and Transformation increased by R691 000 from the R14.5 million in 2017/18 to R15.2 million in 2018/19.

The revenue of the CIDB for 2018/19 consists of the following:

* Government Grant - R73.3 million (a decline of R1.7 million), from the R74.9 million in 2017/18.
* Registration Fees – R92.8 million (an increase of R7.2 million) from the R85.6 million in 2017/18.
* Finance Income – R8.3 million (an increase of R794 000) from the R7.9 million in 2017/18.

**Matters that emerged from deliberations with the CIDB:**

6.1. The CIDB Board stated that it faced a challenge with capacity erosion at senior and executive management level. This affected governance systems so that it was showing signs of being underdeveloped. The problem requires urgent attention as:

6.1.1. the Office of the Auditor-General and the Department of Monitoring and Evaluation reported that the entity was not submitting the required reports and documentation.

6.1.2. the OAG reported that the CIDB could not get a clean audit as the matter of irregular expenditure could not be properly investigated as the entity did not provide the necessary documentation to assist with a completed auditing process.

6.1.3. vacancies at senior and executive managerial levels remain unoccupied which leads to financial systems, organisational, and governance weaknesses.

6.3. The matter of a sustainable skills development pipeline for the construction and built environment was discussed with the CIDB. The CIDB aims to improve the skills development pipeline by providing learners with access to workplace learning opportunities by 2020. It allocated R1 million to ensure that a target of 4 000 learners would be assisted to enter artisanship. Work in this regard is on-going with the Departments of Basic Education, Higher Education and Training, and Further Education and Training (FET) colleges.

6.4. In the previous financial year, the Committee emphasised that the CIDB had to ensure that a review of the criteria according to which contractors progressed along grades was done. It was not clear whether this matter was sufficiently highlighted in the 2018/19 APP. This had to include a review of the adjustment of grades so that more contractors could be enabled to access the market. Equitable distribution of work is crucial. The adjustment would ensure that lower graded contractors, are able to move into higher grades.

6.5. The need to review the CIDB Act continues to be a matter that requires attention. This is part of the work of the DPW as regulator and policy-maker of the public works sector. The Property and Construction Industry Policy and Research branch has to urgently deliver on stated reviews of all the legislation and policy as per the Strategic Plan 2014-2019. A lack of delivery in this regard has impacted negatively on the public works entities such as the CIDB and the impact it could make to the built environment professional sector.

**7. The Council for the Built Environment (CBE)**

The CBE is a schedule 3A entity established by the Council for the Built Environment Act (No. 43 of 2000). “The CBE and Professional Councils in the built environment value chain are to regulate those Built Environment Professions who conceptualise, design, build, maintain and transfer social and economic infrastructure.”[[77]](#footnote-77)

The six Built Environment Professional Councils (BEPCs[[78]](#footnote-78)) are the:

1. South African Council for Architectural Professions (SACAP).
2. Engineering Council of South Africa (ECSA).
3. South African Council for the Project and Construction Management Professions (SACPCMP).
4. South African Council for the Landscape Architectural Profession (SACLAP).
5. South African Council for the Quantity Surveying Profession (SACQSP).
6. South African Council for the Property Valuers Profession (SACPVP).

The CBE is a Statutory Council established in terms of the CBE Act as an overarching body for the six Built Environment Professions and mandated to:[[79]](#footnote-79)

1. “Promote and protect the interest of the public in the built environment.
2. Promote and maintain a sustainable built environment and natural environment.
3. Promote on-going human resources development in the Built Environment.
4. Facilitate participation by the Built Environment Professions in integrated development in the context of national goals.
5. Promote appropriate standards of health, safety and environmental protection within the built environment.
6. Promote sound governance of the Built Environment Professions.
7. Promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic.
8. Serve as a forum where the Built Environment Professions can discuss relevant issues.
9. Ensure uniform application of norms and guidelines set by the Professional Councils throughout the Built Environment.”

**7.2. Key Priorities of the CBE**

The CBE highlighted the following ten priorities for the Medium Term Strategic Framework (MTSF):[[80]](#footnote-80)

1. “Ensuring that Built Environment (BE) academic programmes curricula addresses issues of Labour-Intensive Construction, implementation of the Infrastructure Delivery Management System (IDMS), Sustainable Development and Health and Safety.
2. Promotion of high demand skills for Strategic Infrastructure Projects (SIPs).
3. Stepping up mechanisms, programmes, projects and interventions to drive transformation and ensure adequate representation of woman and black people within the BE through the CBE Transformation Model.
4. Maths and Science Support Programme to reach learners in Grade 8 to 12 by 2018.
5. Establishing a structured candidacy programme for candidates and interns to address bottlenecks in the skills pipeline.
6. Supporting workplace training of BE graduates/candidates and interns to bolster competencies and to promote professional registration.
7. Strengthening the technical capacity of Local, Provincial and National Government.
8. Aligning the policy planning and reporting processes of Built Environment Professional Councils the (BEPCs) to the Government’s planning cycles and the Government’s priorities.
9. Strengthening monitoring and regulatory work on delegated public functions of the BEPCs.
10. Enhancing internal systems, controls and capabilities to allow the organisation to deliver on its mandate and strategic goals.”

# Planned Programme Performance for 2018/19

This section outlines the planned performance under the CBE’s five main programmes. However, a brief note of the changes in the names of the programmes is highlighted below.

In 2013/14, the names of the four programmes of the CBE were: Administration; Built Environment Academy Programme; Centre for Innovation and Integrated Planning; Public Protection and Education in the Built Environment. **[[81]](#footnote-81)** The CBE left Programme 1 unchanged from that in 2014/15 but renamed the last three programmes in 2015/16 as illustrated in the table below.

## Changes in Programme Names between 2014/15 and 2015/16

|  |  |
| --- | --- |
| **Programme Name 2014/15[[82]](#footnote-82)** | **Programme Name 2015/16** |
| 1. Government Policies and Priorities  | 1. Government Policies and Priorities  |
| 2. Skills Development in the Built Environment | 2. Skills for Infrastructure Delivery |
| 3. Research and Information in the Built Environment | 3. Built Environment Research, Information and Advisory |
| 4. Public Interest | 4. Regulation and Oversight of 6 BEPCs |

The CBE has once again changed the composition of some of its programmes, from four Programmes to five, as illustrated in the table below:

## Changes in Programme Names between 2016/17 and 2017/18

|  |  |
| --- | --- |
| **Programme Name 2016/17** | **Programme Name 2017/18[[83]](#footnote-83)** |
| 1. Government Policies and Priorities  | 1. Administration |
| 2. Skills for Infrastructure Delivery | 2. Skills for Infrastructure Delivery |
| 3. Built Environment Research, Information and Advisory | 3. Built Environment Research, Information and Advisory |
| 4. Regulation and Oversight of 6 BEPCs | 4. Regulation and Oversight of 6 BEPCs |
| 5. - | 5. Government Policies and Priorities  |

Programmes 2, 3 and 4 remain unchanged. However, Programmes 1 and 5 were altered as illustrated above, with Programme 1 reported as Administration and the former Programme 1: Government Policies and Priorities was changed to Programme 5.

The CBE’s programmes for 2018/19 have remained unchanged from that of the previous financial year.[[84]](#footnote-84) However, the acronym for Programme 4 BEPCs, the Built Environment Professional Councils, has been changed from (BEPCs), to Councils for the Built Environment Professions (CBEP).[[85]](#footnote-85)

The strategic priorities and planned performance per programme were reported on as follows:

**Programme 1: Administration**

**Strategic Objective**: Ensure that the CBE has the necessary capacity and capability to support government’s development priorities within the Built Environment (BE).

Programme 1 receives an allocation of R42,0 million for the 2018/19 financial year and constitutes 78,2% of the Entity’s total allocation of R53,7 million.[[86]](#footnote-86) This is an increase of R1,7 million from the R40,3 million for 2017/18.

The CBE reports that the budget for Programme 1 will increase by 1% during the 2018/19 financial year.[[87]](#footnote-87)

The budget for Programme 1 increases by R1,7 million or 4,3% in nominal terms. However, the CBE reports that the budget allocation for this programme will increase by 1% during the 2018/19 financial year.[[88]](#footnote-88)

Programme 2 reports on the following three programme indicators that are to be completed by 31 March 2019: **[[89]](#footnote-89)**

* Fully implement a CBE Information Technology (IT) Governance Framework, in line with the Department of Public Service and Administration (DPSA) Corporate Governance of ICT Policy Framework.
* Implement an Electronic – Built Environment (E-BE) System in any three CBEP[[90]](#footnote-90) by 31 March 2019.
* Unqualified Audit Report on financial statements, with no material findings for the 2017/18 financial year.

**Programme 2: Skills for Infrastructure Delivery**

**Strategic Objective**: Drive and facilitate skills development and transformation in the BE.[[91]](#footnote-91)

Programme 2 receives an allocation of R9,2 million for 2018/19 and constitutes 17,1% of the total programme allocation.[[92]](#footnote-92) This constitutes an increase of R1,9 million from the R7,3 million allocation in 2017/18.

The major cost drivers of this Programme are:[[93]](#footnote-93)

* Maths and Science support programme for Grade 12 learners.
* Increasing career awareness of Built Environment professions at school level.
* Refinement of the pilot project on the Integrated Workplace Training Model for candidates and interns.

The budget for Programme 2 increases by R1,5 million (or 25,7% in nominal terms) for 2018/19.

Programme 2 reports on the following seven programme indicators that are to be completed by 31 March 2019: [[94]](#footnote-94)

* A Strategic Infrastructure Projects (SIPs) implementation plan for two categories of high demand Built Environment Professions (BEPs) Architects and Town Planners, approved by the CEO.
* 150 Grade 12 learners enrolled in CBEs Maths and Science Support Programme.
* 50 new Candidates/BE graduates in Work Place Training.
* 100 interns placed and accessed for work integrated learning.
* One Oversight Report on the Accreditation Academic Programmes undertake by the CBEP.
* Four Metropolitan municipalities engaged on the implementation of the CBE Structured Candidacy Framework.
* One Annual Transformation Indaba hosted and reported on to the Department of Public Works.

**Programme 3: Built Environment Research, Information and Advisory**

**Strategic Objective:** Provide informed and researched advice to Government on Built Environment priority matters identified in the 2014 MTEF.

Programme 3 receives an allocation of R790 000 for the 2018/19 financial year and constitutes 1,5% of the total budget. This constitutes a decrease of R1,7 million from the R2,5 million allocation in 2017/18.[[95]](#footnote-95)

In its APP the CBE showed that Programme 3 was allocated an increase in its budget of 6.6% due to the following key cost drivers, namely, research; portal for research information; knowledge and information gathering; publication and stakeholder forums.[[96]](#footnote-96)

The budget allocation for Programme 3 actually declined by R1,7 million for the 2018/19 financial year. The anomaly is that the CBE stated that the programme’s budget allocation was increased by 6,6%.

Programme 3 reports on the following four programme indicators that are planned for completion by 31 March 2019:

* Report on initiatives to support infrastructure skills within Government.
* One research report analysing the impact of the Standards for Infrastructure Procurement and Delivery Management (SIPDM) on attracting and retaining BEPs within the Department of Public Works.
* One advisory report on Health and Safety Regulations within the public sector developed and submitted to the Department of Labour.
* One advisory report on BEPs role in the Expanded Public Works Programme (EPWP) developed and submitted to the EPWP branch.

Programme 4: Regulation and Oversight of Six CBEP**[[97]](#footnote-97)**

**Strategic Objective**: To act as an appeal body on matters of law referred to it in terms of legislation regulating the Built Environment Professions and to promote and ensure high standards of professional ethics.[[98]](#footnote-98)

Programme 4 received an allocation of R1,3 million for 2018/19, which constitutes 2,5% of the total allocation. This is an increase of R408 000 from the R913 000 allocation received in 2017/18.[[99]](#footnote-99)

Programme 4s budget will increase by 6,7% in the 2018/19 financial year. The major cost drivers remain:[[100]](#footnote-100)

* The appeals function.
* Information dissemination to the public.
* Identification of Work (IDoW) activities.

Clarify the reported increase of 6,7% above, given that Programme 4s budget increases by R408 000 or 44,7% in nominal terms, for the 2018/19 financial year?

Programme 4 reports on six programme indicators to be completed by 31 March 2019:[[101]](#footnote-101)

* Finalise 100% of appeals within the statutory 60 days of their judgement.
* Implement 50% of the deliverables of the IDoW Action Plan approved by Council.
* A report on the six CBEP implementation of the King IV Corporate Governance Framework, submitted to Council and the Department of Public Works.
* An implementation plan for the six CBEP alignment of their policies with the Ministerial approved Policy Framework, developed and approved by the COO and CEO.
* Develop and implement a Regulatory Framework on oversight of CBEP.
* Six CBEP’ Strategic Plans, APPs and Annual Report submitted to the Department of Public Works.

**Programme 5: Government Policies and Priorities**

**Strategic Objective**: Built Environment academic curricula and CPD[[102]](#footnote-102) programmes that embody issues [such as] health and safety in construction, environmental sustainability and job creation through labour intensive construction and the IDMS.[[103]](#footnote-103)

Programme 5 received an allocation of R429 000 in 2018/19 and constitutes 0,8% of the total allocation. This is a decrease of R15 000 from the R444 000 allocation in 2017/18.[[104]](#footnote-104)

The entity stated that an implementation plan to incorporate health and safety, sustainability, labour-intensive construction and the Infrastructure Delivery Management System (IDMS into BE academic curricula had to be completed by 31 March 2019.[[105]](#footnote-105)

The strategic priorities and planned performance per programme were reported as follows:

**Programme 1: Administration**

**Strategic Objective**: Ensure that CBE has the necessary capacity and capability to support government’s development priorities within the Built Environment (BE).

Programme 1 receives an allocation of R42,0 million for the 2018/19 financial year and constitutes 78,2% of the Entity’s total allocation of R53,7 million.[[106]](#footnote-106) This is an increase of R1,7 million from the R40,3 million for 2017/18.

**Programme 2: Skills for Infrastructure Delivery**

**Strategic Objective**: Drive and facilitate skills development and transformation in the BE. Additionally, this programme will aim to translate the knowledge generated from its pilot projects into frameworks/action plans for large-scale cooperative implementation of facilitation and assistance of such.[[107]](#footnote-107)

Programme 2 receives an allocation of R9,2 million for 2018/19 and constitutes 17,1% of the total programme allocation.[[108]](#footnote-108) This constitutes an increase of R1,9 million from the R7,3 million allocation in 2017/18.

The budget for this programme will increase by 6,6% in the 2017/18 financial year, with the major cost drivers being: [[109]](#footnote-109)

* The roll out of Maths and Science support programme for grade 12 learners and increasing awareness at school level of Built Environment professions as viable career choices.
* The refinement of the pilot project on the Integrated Workplace Training Model for candidates and interns.

**Programme 3: Built Environment Research, Information and Advisory**

**Strategic Objective:** Provide informed and researched advice to Government on Built Environment priority matters identified in the 2014 MTEF.

Programme 3 receives an allocation of R790 000 for the 2018/19 financial year and constitutes 1,5% of the total budget. This constitutes a decrease of R1,7 million from the R2,5 million allocation in 2017/18.[[110]](#footnote-110)

Programme 3 reports an increase in its budget of 6,6% due to the following key cost drivers, namely, research; Portal for research information; knowledge and information gathering; publication and stakeholder forums.[[111]](#footnote-111)

**Programme 4: Regulation and Oversight of Six BEPCs[[112]](#footnote-112)**

**Strategic Objective**: To act as an appeal body on matters of law referred to it in terms of legislation regulating the Built Environment Professions and to promote and ensure high standards of professional ethics and conduct within the Built Environment. [[113]](#footnote-113)

Programme 4 received an allocation of R1,3 million for 2018/19, which constitutes 2,5% of the total allocation. This is an increase of R408 000 from the R913 000 allocation received in 2017/18.[[114]](#footnote-114)

The major cost drivers remain:[[115]](#footnote-115)

* Appeals function.
* Information dissemination to the public.
* Identification of Work (IDoW) activities.

**Programme 5: Government Policies and Priorities**

**Strategic Objective**: Built Environment academic curricula and CPD[[116]](#footnote-116) programmes that embody issues [such as] health and safety in construction, environmental sustainability and job creation through labour intensive construction and the IDMS.[[117]](#footnote-117)

Programme 5 received an allocation of R429 000 in 2018/19 and constitutes 0,8% of the total allocation. This is a decrease of R15 000 from the R444 000 allocation in 2017/18.[[118]](#footnote-118)

The main cost driver of Programme 5 is the benchmarking study on Transformation.[[119]](#footnote-119)

**7.4. Human Resources**

The CBE has a total of 39 approved posts of which 36 were filled and three were vacant.[[120]](#footnote-120)

The CBEs staff establishment for 2018/19 was stated as:[[121]](#footnote-121)

* Executive Management: Three.
* Senior Management: Nine.
* Highly Skilled: Professional: 14.
* Skilled Administrative: Nine.
* Semi-Skilled: Two.
* Unskilled: Two.

The CBE reported the following acting positions:[[122]](#footnote-122)

* Company Secretary.
* Manager: Skills Development.

The CBE reports that vacant positions are in the process of being filled, however, the entity indicated that the post of the Company Secretary has been halted and is currently executed in a dual responsibility arrangement, (with the Manager Regulations and Legal Services), acting in the position.[[123]](#footnote-123)

The CBE reports that the entity’s current establishment is not adequate to execute its mandate. Of particular concern was Programmes 2 and 3 as it did not show evidence of having the required capacity “to fulfil the projects in their schedules.” The CBE forged “partnerships with key stakeholders such as institutions of higher learning, research institutions and Voluntary Associations (VAs) to leverage resources.”[[124]](#footnote-124)

A total of R26,3 million is allocated towards Compensation of Employees, a decline of R529 000 from the R26,9 million allocation in 2017/18.

A further R212 000 is allocated towards Training and Staff Development, an increase of R68 000 from the R144 000 allocated in 2017/18. [[125]](#footnote-125)

**Governance matters to note:**

The CBE’s 4th Term Council’s tenure ends in mid 2018/19, and the appointment of a new Council is expected to take place during that period.[[126]](#footnote-126)

The CBE reported that it has 13 concurrent functions with the CBEP. The CBE Act provides that the CBE “has primary jurisdiction in all Built Environment Professions (BEP) matters, lack of cooperation from some CBEP has compromised the implementation of some functions.”[[127]](#footnote-127)

**8. Matters noted from deliberations with the DPW, PMTE and entities:**

8.1. Key function areas of the Department continues to be hampered:

8.1.1. The Committee was concerned that the APPs of the DPW and PMTE did not sufficiently address the critical task of maintaining the buildings of client departments that provide services to the people. The Committee stated that client departments have to use the allocated R100 000 per maintenance incident to do daily maintenance tasks.

8.1.2. The Committee was concerned at the lack of implementation detail in the APP on proactive steps through which it would develop maintenance plans and service level agreements with client departments.

8.1.3. The Committee indicates that the management of leasing requires urgent attention. The Department should accelerate the appointment of professional personnel in the PMTE. Similarly, the filling of key leadership positions of the PMTE must be given priority.

8.2. The Committee noted a lack of cooperation between entities in the built environment sector. This requires urgent attention to ensure the coordinating of built environment professional skills development and contractor development to give effect to the policy directives of the Minister.

8.3. The Committee expressed its concern at hearing from the Office of the Auditor-General (AG) that the auditing of the PMTE’s systems remained incomplete. This concern was amplified as the matter of vacancies and the appointment of adequately skilled and experienced personnel to the PMTE had been consistently raised as a matter that had to be resolved.

8.4. The Committee noted the clean audit opinions that the AG expressed on the financial statements of the CBE and Agrément South Africa.

8.5. The Committee was alarmed at the high vacancy rate of the PMTE in its management and professional structures. This slows down the operationalisation efforts of the PMTE and hampers service delivery.

8.6. The Committee expressed its concern about the vacancies at senior and executive management level that continue to appear in reports on the structures of the CIDB and IDT. This could be part of the reason why these entities struggle to get clean audits and to efficiently deliver on their mandates.

8.7. The Committee stressed the important role of the IDT as a project management agency of government to ensure the building of social structure infrastructure such as clinics, hospitals, courts, police stations, libraries, and schools. It is alarmed at the dire financial situation of the entity. It is disgusted that governance weaknesses has led to this being a characteristic of the IDT. The DPW must urgently intervene to address the financial, administrative management, and governance weaknesses that has become a feature of the entity.

8.8. The Committee repeats[[128]](#footnote-128) its concern at the lack of delivery of the review of the Public Works White Papers by Programme 4 of the DPW that was shifted to the 2019 five-year administrative term. This is contrary to the targets stated in the 2014-2019 Strategic Plan of the DPW and the subsequent Annual Performance Plans. The Committee continued to express its concern that the Public Works Bill and amendments to the mandates of the CIDB and the CBE were not going to be achieved in this term. It noted that some of the challenges experienced in the DPW, PMTE and the relevant entities originate from this work being incomplete.

8.9. The Committee noted that while the 2018/19 APP mentioned the Immovable Asset Register, the seriousness of delivering on whether and how the register was going to be effectively updated to make land available for other targeted outcomes of government such as transport, housing, health, security and schooling was not sufficiently addressed.

8.10. The Committee also noted that the PMTE had to take the necessary steps to develop the Infrastructure Programme Implementation Plans (IPIPs), User Asset Management and Client Asset Management planning tools in cooperation with client departments and, where relevant, provincial departments, and municipalities.

8.11. The Committee recognised the results of the DPW’s turnaround plan that was started in 2012. The work of the Governance Risk and Compliance Branch had the effect of addressing corruption in the department’s dealings with the private construction industry and the built environment. Further steps need to be taken to ensure that corrupt activities can be detected earlier rather than later in the procurement and reporting phases of operations.

8.12. The Committee noted the planned target stated to settle all registered invoices within 30 days as important to ensure that especially emerging Black contractors and sub-contractors are able to continue doing business.

8.13. The Committee noted that the leadership changes in the DPW and the entities create governance and administrative weaknesses that increase the risk of corrupt activities and deepen compliance challenges.

8.14. The Committee notes that while the APP of the PMTE and the CBE refers to the critical need for built environment professional training of young people, it does not show evidence of its interrelationship with the Department of Higher Education and Training, the technical vocation and Further Education Sector, and Sector Education and Training Agencies (SETAs).

8.15. The Committee notes the key role of phase three of the EPWP to ensure employment opportunities for the marginalised communities. It stressed the importance of strengthening the administrative and data verification component of the EPWP branch. It further stressed that the training component of the programme must be implemented through on-going work with the relevant SETAs, the Further Education and Training Sector, and the private industry.

**9. Recommendations**

The Committee recommends to the Minister of Public Works that the following be reported on in the third quarter of 2018 and in the first quarter of 2019:

9.1. The Minister as policy leader, ensures that the delay in the Review of the White Papers is urgently addressed so that:

9.1.1. the mandate of the Department is properly spelled out, so that blockages in performing optimally, are removed, and the draft Public Works Bill is concluded, and submitted to Parliament;

9.1.2. the legal mandates of the built environment profession entities are amended to streamline and focus on the matter of relevantly transforming the built environment and construction sector;

9.1.3. the turnaround plan of the IDT is escalated for the transformation of the IDT into a properly resourced, socially relevant entity that is enabled to project manage social infrastructure projects, as well as collect the necessary fees with which to run its business in a financially sustainable manner.

9.1.4. the DPW with the PMTE to report and present to the Committee on data showing how large contractors are sub-contracting 30% of business to emerging black contractors in the construction industry, and on the status of payments of registered invoices within 30 days. The report and presentation to include regulatory steps that the DPW as policy leader developed and concrete steps that the administration has taken to ensure that this policy is effectively implemented.

9.2. The Department and the PMTE report on the escalation of appointing vacant management and property professionals in key branches such as key accounts management to professionalise the PMTE so that government properties are well maintained.

9.3. The PMTE to report on the key responsibility to develop Infrastructure Programme Implementation Plans (IPIPs), User Asset Management, and Client Asset Management planning tools in cooperation with client departments and, where relevant, provincial departments, and municipalities.

9.4. The Department to present to the Committee by September 2018 on the Talent Pipeline Strategy to address the vacancy rate that appears in the reports to the Committee to address the shortage of critical skills in the Department, PMTE and the Public Works entities.

9.5. The Department, CBE and CIDB to present to the Committee on progress with its plans to consolidate, develop and manage the built environment skills development pipeline with State and non-State stakeholders; and to provide detail on the establishment of the Professional Service Branch within the Department to increase its institutional capacity.

9.6. The IDT and the EPWP programme head to provide a comprehensive presentation to the Committee in the third term of 2018 on all matters related to the Memorandum of Agreement according to which the EPWP Data Management Centre is being run under the auspices of the IDT. The presentation should show the impact of this function to enhance the coordination of implementation, funding and reporting of participating bodies and stakeholders across the three spheres of Government.

9.7. The IDT to present to the Committee the relevant details of how it planned to collect increases in its management fees from client departments at national and provincial spheres and municipalities.

9.8. The PMTE to present to the Committee on progress with the Planning and Precinct Development Services sub-programme that drives rural precinct development. The presentation to show efforts to address spatial imbalances and under development that remain part of rural towns and villages.

9.9. The PMTE, with DPW to present on progress with small harbour development in provinces of the Eastern Cape, KwaZulu-Natal, and the Northern Cape with an emphasis on unlocking economic opportunities for the rural poor through, amongst other programmes, Operation Phakisa.

9.10. The CIDB to do a progress report on its efforts to fight corruption with emphasis on collusion by cartels in the construction industry that hamper the growth of emerging black-owned contractors.

9.11. The DPW and PMTE to provide regular updates on the Immovable Asset Register to report to the Committee on whether and how the register was going to be effectively updated to make land available for other targeted outcomes of government programmes in the sectors of transport, housing, health, security , and schooling was not sufficiently addressed.

9.12. The DPW to provide update reports on leadership stability and outcomes of the work of the Governance Risk and Compliance Branch in addressing corruption in the department’s dealings with the private construction industry and the built environment.

9.13. The DPW’s EPWP branch to report to the Committee on efforts through which it:

9.13.1 creates employment opportunities for the marginalised communities and assists other departments, provincial departments and municipalities to create jobs;

9.13.2. intergovernmental efforts through which the training component of the programme is strengthened with the relevant SETAs, the Further Education and Training sector, and the private industry.

Report to be considered.

1. The operationalisation of the PMTE is a key deliverable of the five-year term 2014-2019. It is a strategy to ensure increased functionality of the Department of Public Works. The specific section dealing with the PMTE explains in further detail that its operationalisation was as a government component and not a legislated entity scheduled under the Public Finance Management Act (No. 1 of 1999). [↑](#footnote-ref-1)
2. National Planning Commission (2012), p. 15. [↑](#footnote-ref-2)
3. National Planning Commission (2012), p. 360. [↑](#footnote-ref-3)
4. State of the Nation Address, Ramaphosa, C. (2018). [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. Ibid. [↑](#footnote-ref-6)
7. UNDP (2015). [↑](#footnote-ref-7)
8. The PMTE was operationalised in the 2015/16 financial year. [↑](#footnote-ref-8)
9. Department of Public Works (2014), p. 43. [↑](#footnote-ref-9)
10. Department of Public Works (2014), p. 43. The Department regulates the construction industry and built environment through the Construction Industry Development Board Act (No. 38 of 2000), the Council for the Built Environment Act (No. 43 of 2000) and the six Professional Council Acts that regulate the six Built Environment Professions. [↑](#footnote-ref-10)
11. National Treasury (2018), p. 218. [↑](#footnote-ref-11)
12. National Treasury (2018), p. 219. [↑](#footnote-ref-12)
13. Department of Public Works (2018), pp. 75-81. [↑](#footnote-ref-13)
14. National Treasury (2017), p. 205. [↑](#footnote-ref-14)
15. National Treasury (2017), p. 204. [↑](#footnote-ref-15)
16. National Treasury (2018), p. 220. [↑](#footnote-ref-16)
17. National Treasury (2018), p. 213. It should be noted that the Professional Services sub-programme is a new addition under Programme 2. The sub-programme receives an allocation of R81.7 million over the medium term, of which R37.1 million is for Compensation of Employees; R28 million for Goods and Services and R15.9 million towards Transfers to Households for Non-Employees Bursaries. [↑](#footnote-ref-17)
18. National Treasury (2018), p. 220. [↑](#footnote-ref-18)
19. National Treasury (2018), pp. 211 & 219-220. [↑](#footnote-ref-19)
20. National Treasury (2018), p. 222. [↑](#footnote-ref-20)
21. National Treasury (2018), p.222. [↑](#footnote-ref-21)
22. National Treasury (2018), p. 222. [↑](#footnote-ref-22)
23. National Treasury (2018), p. 221. [↑](#footnote-ref-23)
24. National Treasury (2018), p. 211. [↑](#footnote-ref-24)
25. This programme was known as Property and Construction Industry Policy Regulation which promoted the growth and transformation of the construction and property industries, and uniformity and best practice in construction, and immovable asset management in the public sector. [↑](#footnote-ref-25)
26. National Treasury (2018), p. 223. [↑](#footnote-ref-26)
27. Previously, up until 2009/10 the two programmes: Construction Industry Development Programme and the Property Industry Development Programme) fell under Programme 3, but have since been renamed as of the 2014/15 financial. [↑](#footnote-ref-27)
28. National Treasury (2018), p. 224. [↑](#footnote-ref-28)
29. National Treasury (2015), p. 193. This payment is made to the Commonwealth War Graves Commission of which South Africa is a member. It is comprised of six member countries: Australia, Canada, India, New Zealand, South Africa and the United Kingdom. [↑](#footnote-ref-29)
30. National Treasury (2018), p. 224. [↑](#footnote-ref-30)
31. National Treasury (2018), p. 224. [↑](#footnote-ref-31)
32. National Treasury (2018), p. 223. [↑](#footnote-ref-32)
33. Department of Public Works (2018), p. 106. [↑](#footnote-ref-33)
34. This programme was known as Auxiliary and Associated Services and sought to fund various services, including: compensation for losses on the Government-assisted housing scheme; assistance to organisations for the preservation of national memorials; and meeting protocol responsibilities for State functions. [↑](#footnote-ref-34)
35. National Treasury (2018), p. 225. [↑](#footnote-ref-35)
36. National Treasury (2018), p. 225. [↑](#footnote-ref-36)
37. Department of Public Works (2018), p. 62. [↑](#footnote-ref-37)
38. Department of Public Works (2018), p. 62. [↑](#footnote-ref-38)
39. Department of Public Works (2016), p. 325. [↑](#footnote-ref-39)
40. Department of Public Works (2013). [↑](#footnote-ref-40)
41. The PMTE has three years from the date of transfer to measure all assets and liabilities transferred in terms of GRAP 105 and Directive 2. [↑](#footnote-ref-41)
42. National Treasury (2018), p. 228. [↑](#footnote-ref-42)
43. PMTE (2018), pp. 92-93. [↑](#footnote-ref-43)
44. PMTE (2017), p. 44. [↑](#footnote-ref-44)
45. National Treasury (2018), p. 228. [↑](#footnote-ref-45)
46. PMTE (2018), p. 98. [↑](#footnote-ref-46)
47. PMTE (2018), pp. 89-99. [↑](#footnote-ref-47)
48. PMTE (2018), pp. 103-104. [↑](#footnote-ref-48)
49. PMTE (2018), pp. 108-110. [↑](#footnote-ref-49)
50. PMTE (2018), pp. 114-115. [↑](#footnote-ref-50)
51. PMTE (2018), pp. 118 - 119. [↑](#footnote-ref-51)
52. PMTE (2018), p. 72. [↑](#footnote-ref-52)
53. PMTE (2018), p. 72. The other User Departments are the Departments of Defence, Justice and Constitutional Development, Correctional Services, National School of Government, Labour and Environmental Affairs. [↑](#footnote-ref-53)
54. PMTE (2018), p. 72. The User Departments requiring new-leased accommodation include the SAPS, Departments of Rural Development and Land Reform, Health, Labour, Home Affairs and Agriculture, Forestry and Fisheries. [↑](#footnote-ref-54)
55. PMTE (2018), p. 126. [↑](#footnote-ref-55)
56. PMTE (2018), p. 81. [↑](#footnote-ref-56)
57. PMTE (2018), p. 81. The Capacity Building Programmes include: Facilities Management, Property Management, Construction Management, Certificates for Commercial Property Practitioners, and Property Development. [↑](#footnote-ref-57)
58. PMTE (2018), p. 81. [↑](#footnote-ref-58)
59. PMTE (2018), p. 81. [↑](#footnote-ref-59)
60. Agrément SA (2017), p. ii. [↑](#footnote-ref-60)
61. Agrément SA (2017), p. 8. [↑](#footnote-ref-61)
62. Agrément SA (2017), pp. 18-19. [↑](#footnote-ref-62)
63. Agrément SA, (2017), p. 11. [↑](#footnote-ref-63)
64. Agrément SA, (2017), p. 30. The South African Bureau of Standards (SABS) is a statutory body established in terms of the Standards Act (No. 29 of 2008). It is the national institute for the promotion and maintenance of standardisation and quality in connection with commodities and the rendering of services. [↑](#footnote-ref-64)
65. Agrément SA, (2015), pp.13-14. Agrément South Africa is one of 23 member organisations from 22 countries across the global market that is internationally affiliated through its membership of the World Federation of Technical Assessment Organisations (WFTAO). These member countries include: Australia, Brazil, the Czech Republic, Canada, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Japan, New Zealand, Norway, Poland, Portugal, Romania, the Russian Federation, Spain, United Kingdom and the United States. [↑](#footnote-ref-65)
66. Agrément SA, (2015), p. 10. The World Federation of Technical Assessment Organisations is comprised of “officially recognized bodies active in the field of technical assessments for construction products and systems.” [↑](#footnote-ref-66)
67. Agrément SA (2015), p. 9. [↑](#footnote-ref-67)
68. Table taken from slide 29 of Agrément SA’s presentation on the 2018/19 APP. [↑](#footnote-ref-68)
69. Agrément SA, (2017), p. 55. [↑](#footnote-ref-69)
70. http://www.gov.za/sites/www.gov.za/files/PICC\_Final.pdf [↑](#footnote-ref-70)
71. http://www.publicworks.gov.za/PDFs/Speeches/Minister/Launch\_for\_SIP\_13.pdf [↑](#footnote-ref-71)
72. IDT (2017), p. 16. [↑](#footnote-ref-72)
73. Amounts in this and the following table are in million rands. [↑](#footnote-ref-73)
74. IDT (2018), p. 50. [↑](#footnote-ref-74)
75. IDT (2017), p. 9. [↑](#footnote-ref-75)
76. CIDB (2018), p. 75. [↑](#footnote-ref-76)
77. CBE (2015), p. 10. Through the Act, the CBE is tasked with regulating and governing the following six Built Environment Professions: Architects, Engineers, Landscape Architects, Quantity Surveyors, Project and Construction Managers and Property Valuers, through the six Professional Councils that were also enacted through legislation. [↑](#footnote-ref-77)
78. Note that the BEPC has now been changed to Councils for the Built Environment Professions (CBEP) in the 2018/19 APP [↑](#footnote-ref-78)
79. CBE (2015), p. 19. [↑](#footnote-ref-79)
80. CBE (2015), p. 12. [↑](#footnote-ref-80)
81. CBE (2014), p. 49. [↑](#footnote-ref-81)
82. CBE (2015), p. 61. [↑](#footnote-ref-82)
83. CBE (2017), p. 25. [↑](#footnote-ref-83)
84. CBE (2018), p. 46. [↑](#footnote-ref-84)
85. CBE (2018), p. 3 & 66. [↑](#footnote-ref-85)
86. CBE (2018), p. 43. [↑](#footnote-ref-86)
87. CBE (2018), p. 47. [↑](#footnote-ref-87)
88. CBE (2018), p. 47. [↑](#footnote-ref-88)
89. CBE (2018), p. 50. [↑](#footnote-ref-89)
90. CBEP – Council for Built Environment Professions. [↑](#footnote-ref-90)
91. CBE (2018), p. 53. [↑](#footnote-ref-91)
92. CBE (2018), p. 42. [↑](#footnote-ref-92)
93. CBE (2018), p. 52. [↑](#footnote-ref-93)
94. CBE (2018), p. 58. [↑](#footnote-ref-94)
95. CBE (2018), p. 42. [↑](#footnote-ref-95)
96. CBE (2018), p. 60. [↑](#footnote-ref-96)
97. Note that the acronym for Programme 4 has been changed from Built Environment Professional Councils (BEPC), to Councils for the Built Environment Professions. [↑](#footnote-ref-97)
98. CBE (2018), p. 66. [↑](#footnote-ref-98)
99. CBE (2018), p. 42. [↑](#footnote-ref-99)
100. CBE (2018), p. 66. [↑](#footnote-ref-100)
101. IDT (2018), p. 69. [↑](#footnote-ref-101)
102. Continuous Professional Development. [↑](#footnote-ref-102)
103. Infrastructure Delivery Management System. [↑](#footnote-ref-103)
104. CBE (2018), p. 42. [↑](#footnote-ref-104)
105. CBE (2018), p. 74. [↑](#footnote-ref-105)
106. CBE (2018), p. 43. [↑](#footnote-ref-106)
107. CBE (2017), p. 29. [↑](#footnote-ref-107)
108. CBE (2018), p. 42. [↑](#footnote-ref-108)
109. CBE (2017), p. 30. [↑](#footnote-ref-109)
110. CBE (2018), p. 42. [↑](#footnote-ref-110)
111. CBE (2017), p. 31. [↑](#footnote-ref-111)
112. Built Environment Professional Councils (BEPCs). [↑](#footnote-ref-112)
113. CBE (2017), p. 47. [↑](#footnote-ref-113)
114. CBE (2018), p. 42. [↑](#footnote-ref-114)
115. CBE (2017), p. 33. [↑](#footnote-ref-115)
116. Continuous Professional Development. [↑](#footnote-ref-116)
117. Infrastructure Delivery Management System. [↑](#footnote-ref-117)
118. CBE (2018), p. 42. [↑](#footnote-ref-118)
119. CBE (2018), p. 74. [↑](#footnote-ref-119)
120. CBE (2018), p. 31. [↑](#footnote-ref-120)
121. CBE (2018), p. 30. [↑](#footnote-ref-121)
122. CBE (2018), p. 29. [↑](#footnote-ref-122)
123. CBE (2018), p. 28. [↑](#footnote-ref-123)
124. CBE (2018), p. 25. [↑](#footnote-ref-124)
125. CBE (2018), p. 43. [↑](#footnote-ref-125)
126. CBE (2018), p. 9. [↑](#footnote-ref-126)
127. CBE (2018), p. 25. [↑](#footnote-ref-127)
128. This was expressed in meetings and in the Committee’s Budgetary Review and Recommendation Report in 2017/18. [↑](#footnote-ref-128)