**REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC WORKS AND INFRASTRUCTURE ON BUDGET VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE, DATED 2 JUNE 2020**

The Portfolio Committee on Public Works and Infrastructure, having met on 13, 20, 28 May, and 2 June 2020; and having deliberated on the Strategic Plans (SPs) for 2020-2025 and the Annual Performance Plans (APPs) of the Department of Public Works and Infrastructure (DPWI), the Property Management Trading Entity (PMTE), and the public works entities that reports to the Minister of Public Works, reports as follows:

#### Introduction

The Portfolio Committee on Public Works and Infrastructure has the mandate to do oversight over the Minister of the Department of Public Works and Infrastructure as policy leader of the DPWI.

As policy leader, the Minister exercises oversight over the public works and infrastructure entities, namely the Council for the Built Environment (CBE), the Construction Industry Development Board (CIDB), Agrément South Africa (ASA), and the Independent Development Trust (IDT).

In order to do its oversight, the committee met with the Minister, Deputy Minister and the senior management teams of the DPWI, its Property Management and Trading Entity (PMTE), and boards of the public works and infrastructure entities. These took the form of virtual meetings that were jointly held with the Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure, on 13, 20 and 28 of May 2020. Although these meetings were held jointly, this report is made in the name of the Portfolio Committee on Public Works and Infrastructure.

#### The mandate of the DPWI

The Constitution of the Republic of South Africa, 1996, and the Government Immovable Asset Management Act (No. 19 of 2007) (hereafter, GIAMA) outlines the mandate of the DPWI and describes it as the custodian and portfolio manager of government’s immovable assets.

In the 2015/16 financial year the policy leader initiated a shift in the focus of the DPWI. The practical implementation of the department’s mandate shifted to the PMTE. This shift allows the DPWI to focus on:

* policy formulation,
* the setting of standards for the management of immovable assets,
* maintaining intergovernmental relationships with user/client departments,
* managing the coordination, standardisation, and regulation relating to the provision of accommodation, and public employment programmes, and expert professional built environment services to user/client departments,
* importantly, DPWI and PMTE has an oversight role over the standards and regulation that the Minister of Public Works and Infrastructure makes as leader of the functions that Schedule 4 of the Constitution confers to national, provincial departments of public works and infrastructure, and municipalities that also play these implementation roles.

In doing oversight over the five-year Strategic Plan 2020/25, and the APPs for the current financial year, the committee had to initially deal with its alignment with the broad policy of government, the transformative trajectory of the Medium Term Strategic Framework (MTSF) 2019 to 2024, and the policy imperatives set out by the President in the State of the Nation Address (SoNA).

#### Alignment of the DPWI Strategic Outcomes with the policy priorities of the SoNA and the NDP

The President listed seven priorities aligned to the NDP namely:

1. Economic transformation and job creation;
2. Education, skills and health;
3. Consolidating the social wage through reliable and quality basic services;
4. Spatial integration, human settlements and local government;
5. Social cohesion and safe communities;
6. A capable, ethical and developmental state; and
7. A better Africa and World.

Within that broad policy framework, the Strategic Plan 2020/25 of the DPWI had to ensure that its outcomes and that of the entities reporting to the Minister were aligned to the seven broad policy priorities.

This alignment ensures a direct focus of the work of the DPWI and public works entities over the next five years on organising itself as part of a capable, ethical and developmental state. This is a prerequisite for economic transformation and job creation and targeted infrastructure service delivery to ensure an improved life for all its citizens. The very first policy priority, that of economic transformation and job creation places a sharp focus on DPWI as a key department that works on Infrastructure-led Economic Growth.

In her foreword of the Strategic Plan 2020-2025, the Minister places emphasis on the Infrastructure Development Act, no 23 of 2014, that stresses the importance of facilitation and coordination of public infrastructure development. This is part of government’s policy to promote the development goals stated in the NDP. Investment in infrastructure development lies at the core of this. With infrastructure added as a responsibility, the DPWI and its entities play an even more crucial role of facilitating and coordinating infrastructure development across the three levels of government.

The Minister further highlighted the rollout of the District Development Model in 44 districts across the country as an important infrastructure development investment over the next five years. The facilitation and coordination function lies within the Infrastructure Investment Office (IIO) in the Presidency that has the task “to structure the country’s Infrastructure-led Economic Growth under a single point of entry where the overall National Infrastructure Plan for South Africa is defined and the pipeline of bankable projects are focused within a new methodology”1.

#### The Medium Term Strategic Framework (MTSF) 2019-2024:

The MTSF sketches the transformative development trajectory that all government departments need to follow to implement targeted priorities that had been accepted as the broad policy of the country. These priorities became policy when the country adopted the National Development Plan (NDP) in 2012. This broad policy states the NDP Vision 2030 as the blueprint to dealing with the challenges of unemployment, poverty and inequality by 2030.

1 DPWI Strategic Plan 2020-2025

The Vision 2030 is conceptualised as standing on three policy pillars:

* 1. Achieving a more capable state;
	2. Driving a strong and inclusive economy; and
	3. Building and strengthening the capabilities of South Africans.

These pillars are underpinned by seven policy priorities:

Priority 1: A capable, ethical and developmental state Priority 2: Economic transformation and job creation Priority 3: Education, skills and health

Priority 4: Consolidating the social wage through reliable and quality basic services Priority 5: Spatial integration, human settlements and local government

Priority 6: Social cohesion and safe communities Priority 7: A better Africa and world

Every government department should translate these priorities into programmes with clearly defined, specifically stated, simply understood, measurable, achievable, relevantly resourced, time-based outcomes with targets that are evaluated, and reviewed within each financial year over the five-year term (2020- 2025). Such evaluation and review processes should take into account inter-departmental targets and outcomes to ensure that policy weaknesses that often exist in multi-level government systems are identified and dealt with through joined-up policy projects.

The MTSF 2019-2024 is a broad policy plan that “promotes alignment and coordination”2 between the three levels of government. It facilitates “the full integration of all development planning instruments into an integrated framework”3. It works against “duplication, role, conflict and development contradictions”4,

2 Department of Monitoring and Evaluation, MTSF 2019 – 2024, p. 24.

3 Ibid.

4 Ibid

towards “better coordination of implementation through the district based delivery model”5.

The district based delivery model is an aspect that should be unpacked by the strategic plan that the DPWI developed for the five-year period that it states as 2020-2025.

This matter is dealt with in more detail in the sections below that deals with the outcomes and indicators that the department identified as tools of its evaluation and review processes.

#### Outcomes6 that should be implemented through Programmes from 2020-2025

In its effort to translate the broad policy statements of the SONA and the MTSF 2019-2024 into implementable programmes, in the foreword the Strategic Plan the Minister of the DPWI stated the following as predetermined outcomes linked to the MTSF:

**Outcome 1 - A Resilient, Ethical and Capable DPWI:** DPWI is being reorganised with the inclusion of various functions that come with its new infrastructure mandate. The aim is for DPWI to be streamlined and outcomes-based, focused on implementation. The goal is to reinvent DPWI to be Agile, Ethical, Compliant and Capable, where everyone wants to work, with improved efficiencies achieved through seamless automated processes and a robust support infrastructure to enable effective service delivery.

**Outcome 2 - Integrated Planning and Co-ordination:** The key deliverable for DPWI is the National Infrastructure Plan, as is required by the Infrastructure Development Act, No. 23 of 2014, which was transferred to the Minister of Public Works and Infrastructure by the President in terms of proclamation no 49 of 2019, 23 August 2019. The National Infrastructure Plan will foster integrated spatial planning and focused infrastructure implementation among organs of state by establishing a single view of service delivery.

Cognisance is also taken of the importance of other relevant legislation such as the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA), and the Government Immovable Asset Management Act, Act 19 of 2007 (GIAMA), which provide for the National Spatial Development Framework and a uniform framework for the management of immovable assets held by National and

5 Ibid

6 For oversight purposes, we stated these here as they appear in the DPWI Strategic Plan 2020-2025.

Provincial government. This Outcome also deals with DPWI’s further task in planning and leading the programme for the refurbishment of city precincts in terms of spatial transformation, with Salvokop being the lead precinct; and the New Capital City Initiative. DPWI will further ensure that it focuses on incorporating the new District Delivery Model into all of its planning processes.

**Outcome 3 - Sustainable Infrastructure Investment:** One of the major concerns in the Country has been that the entire infrastructure lifecycle has not been addressed in the planning, financing and execution of projects and programmes. The lack of attention given to the strategy and needs of infrastructure on the one hand and the operations and maintenance components of the infrastructure lifecycle on the other hand, has come to the fore. This has unbalanced and in many cases halted the investment processes. The refocus is to be for the infrastructure capital budgets to have a 60% new 40% maintenance split.

**Outcome 4 - Maintenance:** The DPWI must move away from unscheduled, ad hoc maintenance. This has proven to be a model that opens the business of the department at regional office level, to malpractice and corrupt activities. The Department plans to move towards properly budgeted, timed, resourced, scheduled maintenance of all its properties. In the following five years, it plans to reorient maintenance to an 80:20 ratio of scheduled to unscheduled maintenance. Further, the National Infrastructure Plan will take the lead in rectifying this as well as ensuring that the Department’s and its public entities’ projects and programmes are restructured to address the entire lifecycle. Lastly, in order to ensure sustainability, the Department is embarking on a modular project for all public assets. The most important focus area in the sixth Administration, under Sustainable Infrastructure Investment is the establishment of the single point of entry for infrastructure delivery, management and investment. This process and mechanism will be headed up by the Minister in partnership with the Head of the Infrastructure and Investment Office in the Presidency.

**Outcome 5 - Productive Assets:** DPWI has major land and building assets that are not being adequately managed or utilised to their optimum. Assets are to be spatially known and managed in an economic and spatially just manner, for the benefit of the public good and in the furtherance of a transformed, sustainable built environment. DPWI’s first priority is to finalise its asset register and establish a single repository for the Country. The DPWI asset register will form the basis for all planning; construction management; facilities maintenance; leasing; and infrastructure investment.

**Outcome 6 - Optimised Job Opportunities:** This Outcome focuses on the restructuring of the Expanded Public Works Programme (EPWP) to optimise the mainstreaming and upscaling the EPWP Programme in

the delivery and coordination of all infrastructure projects across the country, thereby contributing towards poverty alleviation and the reduction of unemployment. The commitment is on creating 5 million employment opportunities in the sixth Administration. I would also like the Department to focus on women, the youth and persons with disabilities.

**Outcome 7 -Transformed Built Environment:** Flowing from the Integrated Planning Outcome, is the achievement of spatial justice through the strategic use of DPWI public land and building assets to effect spatial transformation. The deployment and use of public assets can be the catalysts for facilitating transformation of the professional built environment and achieving social cohesion and integration. We are to take our lead from the NDP and National Spatial Development Framework, which direct DPWI in its infrastructure planning and asset management.

Additionally, the DPWI will focus on regulation and legislative processes to contribute to a transformed professional built environment. Professional services within the built environment need a re-look with the intention address skills required within the various sectors and address skewed patterns of professional representations in the built environment professional councils.

**Outcome 8 - Dignified Client Experience:** The Department needs to be viewed as the expert in the delivery of the services to the client department. In addressing the needs, however, DPWI should take into account three different client sectors namely the client department, the user client and the recipient client. Each have different needs and DPWI will shape the service delivery accordingly and ensure best practice for each of the client sectors to positively change the delivery of public services in a dignified manner that focuses on time, quality, quantity, technology, value for money and relevance. In the same vain, the way in which the financial resources are directed to achieve this delivery, should be changed to be direct to DPWI from National Treasury per annum, rather than via the Client Departments.

The department shows awareness in its Strategic Plan for 2020-2025 that its “poor track record to deliver construction and maintenance projects on time and within budget, many client departments do not have trust in the DPWI and its entities”. The period 2020 to 2025 is one during which this department has to win back the trust of government and the larger construction and professional built environment sector.7

7 DPWI Strategic Plan 2020-2025, p 11.

#### The budget allocation for 2020/2021 and over the medium term8

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **R million** | **2019/20** | **2021/2020** | **2021/22** | **2022/23** | **Nominal Rand Change** | **Real Rand Change** | **Nominal****%****Change** | **Real****%****Change** |
| **Programmes** |  |  |  |  | **2019/20 to 2020/21** | **2019/20 to 2020/21** |
| 1. Administration | 511.0 | 538.9 | 591.0 | 615.6 | 27.9 | 5.2 | 5.46 | 1.02 |
| 2. Intergovernmental Coordination | 56.4 | 63.7 | 70.4 | 69.8 | 7.3 | 4.6 | 12.94 | 8.18 |
| 3. Expanded PublicWorks Programme | 2680.8 | 2717.5 | 3104.7 | 3228.3 | 36.7 | -77.8 | 1.37 | 2.90 |
| 4. Programme Property and Construction Industry Policy and Research | 4598.9 | 4647.8 | 4873.0 | 5054.8 | 48.9 | -147.0. | 1.06 | 3.20 |
| 5. Prestige Policy | 119.0 | 103.0 | 118.2 | 121.2 | -16.9 | -21.2 | -14.10 | -17.72 |
| **Total Expenditure** | **7967.0** | **8070.9** | **8757.3** | **9087.7** | **103.9** | **-236.3** | **1.30%** | **-2.97%** |

The Department receives an allocation of R8.07 billion for 2020/21 with which to accomplish the policy priorities listed in the strategic and annual performance plans. This is an increase of 1.3 per cent in nominal terms, and a decline 2.97 per cent in real terms (calculating the impact of inflation) from the 2019/20 adjusted appropriation of R7.97 billion. The Department’s budget represents approximately 0.1 per cent of the national appropriation by vote, excluding direct charges.

In terms of *economic classification*, the departmental budget includes Transfers and Subsidies totalling 86.7 per cent of the budget, with a total monetary value of R6.99 billion (compared to R6.93 billion in the previous year). This constitutes a 0.9 per cent nominal increase, but a decline

* 1. per cent in real terms since the growth in the allocation is below the projected average inflation rate of 4.4 per cent for 2020/21.

*Transfers and Subsidies* totalling R1.58 billion is in the form of *conditional grants to Provinces and Municipalities*, while a total of R4.54 billion is allocated to departmental agencies and

8 The medium term shows increases from year 1 (2020/2021 to year 3 (2021/23) of the five year term (2020-2025), with the nominal and real changes to allocations per programme. All amounts shown as in the Estimates of National Expenditure (ENE), National Treasury, 2020, Budget Vote 13, 2020-2021, p.181.

accounts. For 2020/21, *Current Payments amount* to 13.1 per cent (i.e. R1.05 billion) and *Capital Payments* to 0.2 per cent of the budget (i.e. R20.2 million).

*Compensation of Employees* increases by R36.9 million (from R557.8 million in the 2019/20 adjusted period) to R594.7 million in 2020/21. This is an above inflation (real) increase of 2.1 per cent from the previous year.

*Goods and Services* increases by R7.8 million (from R450.0 million in the 2019/20 adjusted period) to R459.8 million, of which the following line items are sub-categorised in the table that follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Goods and Services****R million** | **Budget** | **Nominal Increase/ Decrease in****2020/21** | **Real Increase/ Decrease in****2020/21** | **Nominal Percent change in****2020/21****%** | **Real Percent change in 2020/21%** |
| **2019/20** | **2020/21** |
| Administration Fees | 48.6 | 50.5 | 1.9 | - 0.2 | 3.91 percent | -0.47 per cent |
| Computer Services | 38.3 | 36.9 | - 1.4 | - 3.0 | -3.66 percent | -7.72 per cent |
| Contractors | 42.3 | 33.8 | - 8.5 | - 9.9 | -20.09 percent | -23.46 percent |
| Agency Support/ Outsourced Services | 65.8 | 85.1 | 19.3 | 15.7 | 29.33 percent | 23.88 percent |
| Operating Leases | 33.6 | 39.1 | 5.5 | 3.9 | 16.37 percent | 11.46 percent |
| Travel and Subsistence | 50.8 | 48.3 | - 2.5 | - 4.5 | -4.92 percent | -8.93 per cent |
| Interest and Rent on Land | 0.0 | 0.0 | 0.0 | 0.0 | N/A | N/A |

#### Revenue generated

The Department generates revenue through the PMTE, by letting properties and official quarters, and the sale of land and buildings. It is projected that the Department will collect revenue to the total value of R1.52 million for 2020/21.9 This is a decline of R13.1 million from the R14.6 million in 2019/20.

The Department sub-categorises the sale of Goods and Services it produces according to Sales Generated through market establishments and Other Sales.

* + - R280 000 is expected to be generated through the Sale of Goods and Services produced by the Department, of which:
			* R120 000 Market establishment (covered and open rental parking)
			* R160 000 Other Sales: Tender documents. The Department generates revenue as follows:
			* R40 000 Sales: Waste.
			* R600 000 Interest, dividends and rent on land.
			* R600 000 Transactions in financial assets and liabilities.

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#### Budgetary allocations per programme

*Programme 1: Administration*

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

This programme plays an important role in giving effect to first priority of the National Development Plan (NDP) and Vision 30; that is, to *build a capable, ethical and developmental state.* This priority is also expressed in the Medium Term Strategic Framework (MTSF) for the five-year term 2019-2024, as a crucial mode that is required to achieve Vision 2030.

The DPWI translated priority one of the NDP and Vision 2030 into a predetermined outcome that states the policy intent to reorganise the DPWI into a **resilient, ethical and capable department**. The department started this process during the fourth parliament that continued in the previous five-year term, as part of a Turnaround Programme in the 2011/2012 financial year. During this first phase of the programme, the DPWI identified the need to remain consistently compliant with financial legislation and National Treasury regulations so that it could improve its operations and audit outcomes. Even more important, it wanted to illiminate corruption and malpractice in its ranks. Within Programme 1, it established a *Governance, Risk and Compliance unit* that continues to assist with investigations with the Special Investigations Unit (SIU) into alleged malpractice and corruption.

The DPWI is in the initial stages of including various functions that come with its new infrastructure mandate. Accordingly some finds that were allocated as above to the various sub- programmes of Programme 1, will be used to achieve the aim to organise it into a “streamlined and outcomes-based”9 department that is “focused on implementation”10. The Strategic Plan of the Department therefore states that it wants to be agile, ethical, compliant and capable, “where everyone wants to work, with improved efficiencies achieved through seamless automated processes and a robust support infrastructure to enable effective service delivery.”11

#### Sub-programmes:

The Administration programme receives a total allocation of R538.9 million that is allocated to sub-programmes as follows:

* + - *Ministry* receives R44.7 million;
		- *Management* receives R114.1 million;
		- *Corporate Services* receives R271.7 million;
		- *Supply Chain Management (SCM)* receives R57.7 million; and
		- *Office Accommodation* receives R50.7 million.

*NOTE: SCM, Corporate Services, Management, and Office accommodation are shared services that funds the functions of the DPWI and the Property Management and Trading Entity (PMTE).*

In terms of economic classification, the budget includes Current Payments to the value of R531.4 million, (R316.4 million must be spent on Compensation of Employees). Compensation of Employees under Programme 1 increases by R21.3 million or 7.2 per cent in nominal terms and

* 1. per cent in real terms in 2020/21.

9 DPWI Strategic Plan 2020-2025, p. 9

10 Ibid.

11 Ibid.

The Department allocates R215.0 million to Goods and Services. This is an increase of R8.6 million (or 4.2 per cent in nominal terms), but a decrease of 0.22 per cent in real terms from the R206.4 million in 2019/20. Expenditure trends for Goods and Services (in real terms) for 2020/21 is shown in the following table12:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme 1: Good and services****R million** | **Budget** | **Nominal Increase/ Decrease in****2020/21** | **Real Increase/ Decrease in****2020/21** | **Nominal Percent change in****2020/21** | **Real Percent change in 2020/21** |
| **2019/20** | **2020/21** |
| Communication | 11.9 | 19.9 | 8.0 | 7.2 | 67.23 percent | 60.18 percent |
| Computer Services | 38.2 | 36.9 | - 1.3 | - 2.9 | -3.40 percent | -7.47 percent |
| Consultants: Business and Advisory Services | 18.2 | 20.4 | 2.2 | 1.3 | 12.09 percent | 7.36 percent |
| Operating Leases | 30.2 | 35.2 | 5.0 | 3.5 | 16.56 percent | 11.64 percent |
| Property Payments | 18.5 | 21.6 | 3.1 | 2.2 | 16.76 percent | 11.84 percent |
| Travel and Subsistence | 20.0 | 19.6 | - 0.4 | - 1.2 | -2.00 percent | -6.13 percent |

#### Programme 2: Intergovernmental Coordination

**DPW is a coordinating department that must manage sound relations and strategic partnership with all client/user departments if it is to reach policy goals set out in the SoNA and the NDP. Programme 2 seeks to promote sound intergovernmental relations and strategic partnerships. It coordinates with provinces and municipalities 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.**

**Sub-programmes**

Expenditure for Programme 2 for the 2019/20 financial year will fund these sub-programmes:

* + - *Monitoring, Evaluation and Reporting* receives an allocation of R5.4 million. This is a decrease of R300 000 from the R5.7 million received in 2019/20.
		- *Intergovernmental Relations and Coordination* receives an allocation of R27.1 million. This is an increase of the R1.9 million from the R25.2 million received in 2019/20.
		- *Professional Services* is allocated R31.2 million. This is an increase of R3.7 million from the R27.5 million received in 2018/19.

In terms of economic classification, R57.4 million is allocated to Current payments. This constitutes an increase of R7.2 million or 14.3 per cent in nominal terms (9.5 per cent in real terms) from the previous year.19 R42.3 million (an increase of R6.2 million) goes to Compensation of Employees, and R15.1 million (an increase of R900 000 from R14.2 million in 2019/20) to Goods and Services.

The Professional Services Branch (PSB) of Programme 2 is focused on the predetermined objectives to “build a capable State” and “placing the economy on the path to recovery”. Note that it states its functions as oversight, coordination, and providing guidance and advice on successful capacity building programmes/initiatives towards contribution of transformation objectives in the built environment. The PSB will coordinate and manage supply of built environment skills to support the State infrastructure delivery.20

#### Programme 3: Expanded Public Works Programme (EPWP):

**The EPWP gives effect to the policy goals to create work opportunities for marginal people. It works on the coordination of the implementation of the Expanded Public Works Programme (EPWP) in public bodies, non-profit organisations, the non-state sector, across national, provincial and local government levels to create work opportunities; it also works on the provision of training for unskilled, marginalised and unemployed people in South Africa.**

The medium term goals for EPWP are to:

* Monitor, validate, set uniform processes and standards, 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, by producing six Data Quality Assessment Reports.
* Contract 350 non-profit organisations to implement non-State sector EPWP projects over the medium term.

A number of objectives are outlined in the DPWI’s planning documents; these include the EPWP as responsible for the implementation of priority 2 of the NDP, that of economic transformation and job12 creation. In its Strategic Plan and APP, the DPWI translated that broad policy priority as its own Outcome 6, which is stated as “Optimised Job Opportunities”. Chapter 3 of the NDP highlights the EPWP as a programme that must be upscaled as part of Vision 2030. Chapter 11 of the NDP locates the EPWP as a key contributor towards social protection through income transfer into poor households. The NDP emphasises: “The provision of Work opportunities (WOs) is one of the best forms of social protection”. This is in line with the EPWP’s current primary objective of providing work opportunities. The programme also contributes towards the priority of the Sixth Administration of Economic Transformation and Job Creation.

The allocated funds will be used “to optimise the mainstreaming and upscaling the EPWP Programme in the delivery and coordination of all infrastructure projects across the country, thereby contributing towards poverty alleviation and the reduction of unemployment.” 13 The ultimate outcome is stated as creating 6 million work opportunities by the end of the MTSF.

* + Public Bodies report 1 455 000 work opportunities on the EPWP Reporting System.
	+ Provide technical support to 290 public bodies participating in the EPWP.

12 Note that throughout the DPWI and government planning documents regarding this programme, the words *jobs*, *work*, and *employment* are used interchangeably, each as a descriptor for opportunities. The EPWP programme therefore does not create employment, work, or jobs, but opportunities for those.

13 DPWI, Strategic Plan 2020-2025, pp. 9-11.

R2.71.7 billion allocated for this year that increased from the amount allocated in 2019/20 that was R2.68 billion. The allocations from this programme takes place through the *Integrated Grant for Provinces, Municipalities,* and the *Performance Based Incentive Allocations*. The allocations are reported under these sub-programmes:

* + EPWP: Monitoring and Evaluation receives R61.0 million. In real terms this sub- programme allocation decreases by 2.5 per cent from the previous year.
	+ EPWP: Infrastructure receives R1.28 billion. In real terms, this sub-programme allocation
	+ decreases by 4.1 per cent from the previous year.
	+ EPWP: Operations receives R1.28 billion. In real terms, this sub-programme allocation decreases by 2.8 per cent from the previous year.
	+ EPWP: Partnership Support receives R89.0 million. This sub-programme allocation increases by 17.7 per cent in nominal terms and 12.8 per cent in real terms in the from the previous financial year.
	+ EPWP: Public Employment Coordinating Committee receives R8.0 million. In real terms, this sub-programme allocation increases by 16.1 per cent from the previous year.

In terms of economic classification, the budgetary allocation for Programme 3 includes *current payments* to the value of R355.1 million, of which R187.2 million is allocated to *compensation of employees,* which increased by R12,3 million from the allocated amount of R174.9 million in 2019/20, which translates into a real increase of 3.9 per cent from the previous year. This increase is explained as part of the enhancement of the implementation of Phase IV of the EPWP from April 2019, 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 to R168 million, from R155 million. Expenditure on

*Compensation of employees* amounts to R187 million from R175 million.

The bulk of the allocated funds for Programme 3 are transfers and subsidies amounting to R2.36 billion.

R1.58 billion of this amount will be transferred to *provinces and municipalities* as follows:14

* + R778.5 million is allocated to *Non-profit institutions*.
	+ R748.0 million towards the *Integrated Grant for Municipalities*.
	+ R420.8 million towards the *Integrated Grant for Provinces*.
	+ R413.6 million towards the *Social Sector Incentive Grant to Provinces*.

#### Programme 4: Property and Construction Industry Policy and Research15

**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.**

The programme transfers a large portion of the R4.65 billion across eight sub-programmes16. Of this total allocation, the *Property Management Trading Entity* (PMTE) receives the bulk totalling R4.36 billion. This budget allocation is dealt with in detail with a focus on the PMTE as the implementation agency of the DPWI later in this report. The rest of its funding are transferred to public works entities that report to the Minister.

Programme 4 has the specific task to research and develop17 policies and legislative prescripts for the construction and property sectors. This is strongly tied to the implementation work that the PMTE performs to concretise the policies that are stated in the NDP, MTSF, SONA, and the five- year Strategic Plan 2020-2025. In addition, every performance indicator and predetermined

14 2020, National Treasury, p. 190

15 This programme was known as Property and Construction Industry Policy Regulation that 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.

16 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.

17 National Treasury (2020), p. 191.

outcome stated in each APP from 2020 to 2025 can only be properly implemented if this programme effectively use the allocated amounts stated in the budget. In the Budgetary Review and Recommendations, Budget Vote, and Legacy Reports during the five-year term 2014/15 to 2019/20, this committee highlighted that this programme was unsuccessful in reviewing the white papers dated 1997 and 1999. In those reports we stated that this left a vacuum within which the PMTE and DPW (this was prior to the Infrastructure component was added to the Department’s mandate) and entities, specifically the social infrastructure delivery entity, namely the IDT, struggled to function and exercise its property management, project management, property maintenance, and leasing functions. To be more specific, the on-going challenge of the PMTE and the IDT to collect service fees from client departments after construction projects were completed, was in part because the mandate of the Department as landlord of the state, and construction regulator, was never properly legislated which meant it could not enforce contractual obligations and struggled to collect outstanding debt.

While a comparably small amount of the total budget of Programme 4 is allocated to this policy development and coordination role, it plays a core function to strengthen the mandate of the DPWI and the transformation of respectively the professional built environment, and the construction industry. The budgetary allocation to the actual policy task of programme 4 consists of the sub- programmes *Construction Policy Development Programme* that receives R 48.7 million, and *Property Policy Development Programme* R 15.2 million. The other two sub-programmes are *Assistance to the Preservation of National Memorials* that receives R R28.2 million and *Infrastructure Development Coordination.* This programme can be severely criticised for not utilising the budgetary allocations for this function effectively and efficiently.

Once the review work is completed in the current financial year, the programme has to complete 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).

As mentioned above, other transfers from programme 4 is to Departmental Agencies and Accounts (non-business entities) that totals R4.5 billion. The funds are transferred to the following entities:

* *Construction Industry Development Board* (CIDB) is allocated R78.7 up by R2.5 million from the 76.2 million allocated in the previous year.
* *Council for the Built Environment* (CBE) receives an allocation of R55.2 up by R 2.4 million from the R52.8 million allocated in the previous year.
* *Construction, Education and Training Authority* (CETA) receives the same allocation of R600 000 as in the previous year.
* The PMTE (as noted above) receives an allocation of R4.36 billion.

The Department did not make a transfer to the Independent Development Trust (IDT) that received an allocation of R5 million in the previous financial year.18 The IDT is a Schedule 2 entity, should be self-sustaining, and therefore should not receive any funding from the Department. The allocation in the previous years from the Department should be viewed as assisting in the continued operational functioning of the entity. This funding allocation was criticised by this committee in previous years, but was explained as necessary by the Executive Authority in the context of the IDT having developed into a responsive development agency with a well-established presence across the country.

Other transfers were made to:

Foreign Governments and International Organisations,19 to the value of R28.2 million up by R 3.6 million from 24.6 million in the previous year. 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.

* Industrial Development Corporation receives R 60.8 million, up by R800 000 from the previous financial year.

18 National Treasury (2019), p. 224.

19 National Treasury (2020), p. 192. 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.

Current Payments totals R 30.7 million that decreased by R 1.7 million from R32.4 million allocated in the previous year. Compensation of Employees receives an allocation of R 16.5 million that decreased by R 2.5 million from R19 million allocated in the previous year. Goods and Services totals R 14.2 which is an increase from the R 13.5 million allocated in 2019/20 in the adjusted budgetary figures.

#### Programme 5: Prestige Policy 20

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

The 2019/20 targets include the improvement of service delivery services to Prestige Clients over the medium terms:21

* Develop and monitor four Prestige Policies.
* Support 24 planned State events with movable structures.
* Provide movable assets to Prestige clients within 60 working days.
* Approve two Prestige Policies.

The budget allocated to Programme 5 is R 103 million that decreased by R 12.4 million from the R 115.4 million that was allocated in 2019/20.

A large portion of the budget is allocated to current payments, which amount to R79.9 million that is a decrease of R 16 million from the allocation of R 95.9 million in 2019/20. A total of R32.4

20 This programme was known as Auxiliary and Associated Services in previous years. It used 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. Currently, it focuses on meeting protocol responsibilities for State functions with an additional function to provide norms and standards for the Prestige Accommodation Portfolio.

21 National Treasury (2020), p. 192.

million is allocated to compensation of employees. The transfer budget includes an allocation of R11.2 to Departmental Agencies and Accounts (Parliamentary Villages Management Board); R200 000 to Households and R11.6 million to Payment for Capital Assets (Machinery and Equipment).

#### The Property Management Trading Entity (PMTE)

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.”22

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.

As mentioned in the introduction, the operationalisation of the PMTE in 2015 shifted the operational or implementation focus from the DPWI to the PMTE. Its focus 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, the leasing, and the payments of property rates on behalf of client departments of the DPWI. 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. This function requires legislation that enforces client departments to pay user-charges, project management, professional property management, and construction costs to the PMTE. This legislation is unfortunately not yet in place and requires Programme 4 to complete the review of the White Papers as the precursor to the draft Public Works Bill that would give enforcement powers to collect such fees and charges.

In addition to collecting user-charges, and providing specialist property and construction management services to government departments, 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). The full operationalisation of the PMTE should lead to full cost recovery through

22 Department of Public Works (2016), p. 325.

the application of business principles in the management of government’s property portfolio. Together with the collection of user-charges, the PMTE should generate funds with which government could undertake maintenance as well as other crucial tasks in the public works sector. This remains a challenge that the DPW and PMTE is working to put into action in the medium to long term.

In its meetings with the PMTE during the 2014/15-2019/20 MTSF period, this committee found that it did not work efficiently. The entity as it struggled to attract and retain relevantly qualified and experienced property specialists in its Real Estate and Investment Services branch that should play a key role in unlocking the value of government immovable property. During oversight visits in 2015 to 2019 administrative term, this Portfolio Committee requested the User, and Custodian Immovable Asset Maintenance Plans (UIAMPs and CIAMPS) of properties that accommodated client departments such as Correctional Services, and the SA Police Service. Unfortunately, these documents could not be produced. The Government Immovable Asset Act (GIAMA) stipulates that for each building, these UIAMPs and CIAMPs were tools with which to keep track of the conditions of properties, and the different duties that the custodian and the user had to play. This is crucial if the PMTE is to concretise its stated vision of providing “Convenient access to dignified public services.” The South African public must feel secure and safe while they access services. In addition, the public administration that work inside government properties also need to be secure and well catered for in terms of work conditions.

The PMTE Registry Services branch that should manage the Immovable Asset Register (IAR) and coordinate UIAMPs and CIAMPs also struggle to attract and retain qualified and experienced property specialists. DPW23 indicated to the committee over the last five-year term, that some of the vacancies required by the PMTE included property economists, property managers, specialist chartered accountants, property lawyers, and property valuators. The DPW consistently reported that these positions were being filled, yet the vacancy rate remains high from one financial year to the next. *Because these specialist skills make it a very competitive terrain so that properly qualified and experienced personnel easily move from the PMTE to private property companies, the PMTE and the DPWI will have to undertake a property specialist retention strategy.* The challenge is to

23 The DPWI was referred to as the DPW during the fifth administration and parliamentary session.

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.

The Real Estate Investment Services (REIS), of the PMTE focuses on achieving an efficient and competitive Real Estate Portfolio for the State. It states that it does this through effective planning, analysis and informed investments. Four years since the PMTE has been operationalised, the programme continues to struggle 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. It has thus far not been able to implement strategies with which to unlock the value of government’s immovable asset portfolio. The current five-year strategic plan and this year’s performance plan also do not show evidence of a focused strategy to progress in that direction. The assessment, verification, and progressive completion of the state property portfolio remains in progress. The committee is not unreasonable in this regard; it understands that by its very nature, the IAR will not be absolutely completed as older buildings may be removed when sold, while newly constructed and procured properties may be added on an annual basis. It is, however, fair to expect the IAR to be in a much better state with the Real Estate Registry branch having a measured control over all immovable assets and the condition, value, and debt associated with each. The information contained in the IAR is the foundation that the REIS branch requires to unlock the value of government property. A reasonably completed IAR means that the value of government property is regularly updated in compliance with the Generally Recognised Accounting Practice (GRAP) requirement, which enables the REIS to perform its function.

#### The PMTE Budget24:

|  |  |  |  |
| --- | --- | --- | --- |
| **R million** | **Revised****Estimate for 2019/20** | **Allocated****budget for 2020/2021** | **Estimated****allocations for the medium term** |
| **Programme** |  |  | **2022/23** | **2023/24** |
| 1. Administration | 819.2 | 812.6 | 833.9 | 861.6 |
| 2. Real Estate and Investment Services | 209.8 | 218.1 | 229.5 | 240.9 |
| 3. Construction Management Services | 464.6 | 489.3 | 512.5 | 537.6 |
| 4. Real Estate Management Services | 11 407.2 | 13.388.0 | 14 552.9 | 15 808.0 |
| 5. Property Registry Services | 122.8 | 116.2 | 69.8 | 73.4 |
| 6. Facilities Management Services | 3 689.0 | 40002.0 | 4 112.9 | 4 314.3 |
| **Total** | **16 712.7** | **19026.4** | **20 311.6** | **21 835.8** |

The PMTE receives an allocation of R 19 billion for the 2020/21 financial year, which is an increase of R 2.3 billion from the allocated amount of R 16.7 billion for 2019/20.

Over the next five-years, the PMTE will amongst other outcomes develop precincts to support efficient and integrated government planning by grouping departments that provide similar services to make service delivery more efficient. These were reported to the Committee in the previous MTEF. During the sixth administration, the Committee will focus several oversight activities on the development and maintenance of these precincts to keep a check on the efficient application of the allocated funds.

The Committee will further work with the PMTE to ensure that it moves away from the current emergency-based ad hoc mode of refurbishing and maintaining towards a scheduled maintenance model of government buildings. To do this, may mean a different approach to budgetary allocations with the properly estimated maintenance cost per building in its portfolio budgeted for ahead of time in each medium term expenditure framework period.

The PMTE also has a predetermined outcome of developing 12 small fishing harbours in rural areas on which R61.2 billion is budget for over the MTEF period, increasing at an average annual

24 All amounts in the following tables as provided in the Estimates of National Expenditure (ENE) for the Department of Public Works and Infrastructure, Budget Vote 13, National Treasury, 2020, p. 193.

rate of 9.3 per cent. This is based on projections that there will be an increase in services provided to client departments, from R16.7 billion in 2019/20 to R21.8 billion in 2022/23. An estimated

80.4 per cent (R49.5 billion) of the entity’s total budget is allocated to goods and services, mainly for repairs and maintenance of state-owned buildings, and lease payments.

The Committee signals that the PMTE has to ensure a financial administration, accounting, and reporting system that can also perform the function of debt recovery. In this Committee’s Budgetary Review and Recommendation Report of 2019/20, the PMTE’s overdraft stood at R

* 1. billion and its liabilities exceeded assets by R 10.8 billion, as it had been unable to recover funds utilised for service provided to client departments.

A key component of the entity’s funds will be channelled towards improving access for people with disabilities. As such, the entity intends to complete 58 accessibility infrastructure projects over the medium term. These include the construction of new office buildings for 24 departments; and 77 refurbishment projects, including at correctional centres, police stations, courts, office buildings and prisons. The execution of these projects is projected to cost R7.4 billion over the MTEF period. A further R4.5 billion has been allocated over the medium term for ad hoc building maintenance. As stated earlier, this ad hoc mode of maintenance will have to addressed as part of a new budgeting model as it often leads to malpractice and corrupt activities with service providers at regional offices of the DPWI.

The next section sets out the funds allocated per programme, and targets that should be achieved. Note that all figures are as contained in the PMTE APP for 2020/21.

#### Programme 1, Administration:

This programme provides strategic management, governance and administrative support to the PMTE.

The total allocation for Programme 1 equals R812.6 million for the 2020/21 financial year, which is a decrease of R6.6 million. This constitutes a nominal decrease of 0.8 per cent (or 4.9 per cent in real terms) from the revised appropriation of R819.2 million in 2019/20.

Programme 1 reports on one target for 2020/21: which is to ensure 100 per cent expenditure of its allocated budget.

#### Programme 2, Real Estate Investment Services (REIS):

This programme works 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 R218.1 million for the 2020/21 financial year, which is an increase of R8.3 million. This constitutes a nominal increase of 3.96 per cent (and a decrease of 0.4 per cent in real terms) from the revised appropriation of R209.8 million in 2019/20.

The following targets are have been set for the 2020/21 financial year:25

* + - Establish four sites for the development of government precincts as service delivery centres.
		- Complete 90 per cent valuations within scheduled timeframes.
		- 800 facilities assessed in terms of identified performance areas.
		- Release 34 995 hectares from the Department’s portfolio for development of infrastructure and socio-economic objectives.
		- Approve one Custodian Immovable Asset Management Plan (CIAMP) submitted to National Treasury.

#### Programme 3, Construction Project Management (CPM):

This programme focuses on providing 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 R489.3 million for the 2020/21 financial year, which is an increase of R24.7 million. This constitutes a nominal increase of 5.3 per cent (or 0.9 per cent in real terms) from the revised appropriation of R464.6 million in 2019/20.

The following targets are reported for the 2020/21 financial year:26

25 National Treasury (2019), p. 227.

26 National Treasury (2019), p. 227.

* Complete one design solution for identified User Department.
* Complete 115 infrastructure projects within agreed construction period.
* Complete 115 infrastructure projects within agreed budget.
* Hand over 125 infrastructure sites for construction.
* Complete 130 infrastructure projects.
* Create 9 020 EPWP work opportunities through construction projects.
* Reduce infrastructure backlogs by 40 per cent.

#### Programme 4, Real Estate Management Services (REMS):

This programme provides and manages government’s real estate portfolio in support of stated social, economic, and political objectives that we stated in the first section of this report.

The total allocation for Programme 4 equals R13.39 billion for the 2020/21 financial year, which is an increase of R1.98 billion. This constitutes a nominal increase of 17.4 per cent (or 12.4 per cent in real terms) from the revised appropriation of R11.41 billion in 2019/20.

The following targets have been set for this financial year (2020/21):

* + Reduce private leases within the Security Cluster by 13.
	+ Realise R 20 million saving on identified function specific private leases.
	+ Increase revenue generation by 15 per cent through the letting of State-owned properties (excluding harbour-related properties).
	+ Let out 70 un-utilised vacant State-owned properties.
	+ Award 25 per cent of new leases to Black-owned companies (e.g. empowering designated groups of women, youth and people with disabilities).
	+ Procure 100 per cent of new private leases contracts with maintenance plan.
	+ Create 15 Business Opportunities that create actual jobs.
	+ Increase revenue by 20 per cent through the rentals of State-owned small harbours.

#### Programme 5, Real Estate Information and Registry Services (REIRS):

The programme develops and manages a complete, accurate and compliant Immovable Asset Register (IAR) to meet service delivery objectives for the State, Department and PMTE business requirements.

The total allocation for Programme 5 equals R116.2 million for the 2020/21 financial year, which is a decrease of R6.6 million. This constitutes a nominal decrease of 5.4 per cent (or 9.4 per cent in real terms) from the adjusted appropriation of R122.8 million in 2019/20.

The following target is reported for the 2020/21 financial year:27

* Assess nine Provincial Immovable Asset Registers for compliance.
* Physically verify to validate the existence and assess the condition of 29 564 immovable assets.
* Vesting (confirmation of ownership) of 1 000 land parcels.

#### Programme 6, Facilities Management:

This programme 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 R4 billion for the 2020/21 financial year, which is an increase of R313.0 million. This is an increase of 8.5 per cent in nominal terms (or 3.9 per cent in real terms) from the revised appropriation of R3.69 billion in 2019/20.

The following target is reported for the 2020/21 financial year:28

* + 200 Condition assessments conducted on identified/prioritised properties.
	+ Assess critical components to determine the condition of 200 components (lifts and boilers).

27 National Treasury (2019), p. 227.

28 National Treasury (2019), p. 227.

* + Assess critical components to determine the conditions of 20 per cent of components (Heating, Ventilation and Air-Conditioning (HVAC) and Gensets29 and water systems).
	+ A 10 per cent change in level of reactive maintenance.
	+ 550 facilities prioritised with maintenance contracts in place.

#### Matters that emerged from the deliberations between the committees30 and the DPWI and PMTE:

Having deliberated on the Strategic Plan 2020-2025, and the Annual Performance Plan (APP) 2020-2021, the Committees noted that:

* The DPWI Strategic Plan and APP shows an integral link between the broad policy objectives of the National Development Plan and the Medium Term Strategic Framework of government, and the tasks outlined by the President in the State of the Nation Address.
* The committees appreciated that the department undertook a substantial amount of strategic and analytic work to identify problems that may weaken the predetermined objectives, and identified possible ways to deal with these problems as implementable solutions.
* The committees further appreciated the effort that the DPWI and the PMTE made to strengthen the logical flow between the Strategic Plan, and each APP over the next five years by showing how outcome indicators and enablers will assist to reach policy objectives.
* The department was urged to keep the committees informed of the budgetary adjustments to ensure that funds that were used to deal with the Covid-19 crisis as regulated by the national Executive and the NCCC, is replenished.

29 These are equipment that convert naturally available energy into electrical energy in places where there is no bulk electrical supply.

30 These emerged from deliberations in the Joint Meeting of the Portfolio Committee on Public Works and Infrastructure and Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure.

#### The Office of the Minister as Executive Authority was urged to:

1. Further, strengthen these efforts by the department through the maintenance of a schedule of oversight over the in-year reports that the DG as Accounting Officer must make on a monthly and quarterly basis to the Minister and National Treasury.
2. Urgently inform the committees of her plan to ensure that government has a social infrastructure development agency in place to continue the delivery legacy of the Independent Development Trust (IDT). Further to ensure that the capacitated personnel of the IDT is not lost, but find their rightful public service positions with the new agency or structure that may replace the IDT.

#### The committees called upon the Director-General (DG) and the Department to:

1. Ensure that a functioning administrative, financial management, accounting, and reporting system is maintained that can regularly report to the Minister and the National Treasury on matters that may weaken the achievement of the policy outcome to change the DPWI into a resilient, ethical, and capable government department and a performing organisation.
2. Ensure that the department gives proper attention to the weaknesses of coordination, regulation, and enforcement that it requires to fulfil its mandate as leader and regulator of the construction, professional built environment, and infrastructure sector.
3. Urgently complete the review of the White Papers 1997 and 1999; further, to complete and table the legislative work that is required to strengthen its mandate as accommodator and landlord of the state, so that it can properly claim management fees from client and user departments for construction, maintenance, and rehabilitation work completed within each financial year.
4. Complete the negotiations with the Presidency, and relevant departments, so that the DPWI can play the coordinating and leadership role in the infrastructure sector across the national, provincial, and municipal government levels.
5. Ensure that its legislative and regulatory regime is properly aligned to the Spatial Land Use Management Act (SPLUMA), and the Infrastructure Development Management Framework of government.
6. Strengthen its oversight function over the construction, professional built environment, and infrastructure sector of the country, to appropriately transform it for the benefit of the country and the economy.
7. Establish the Information and Communication Technology (ICT) Executive Committee as a precursor to completing an ICT Strategy that is aligned to its organisational strategy as per the five-year Strategic Plan and APP.
8. Ensure that the ICT Executive Committee drives the completion of the rollout of the ARCHIBUS software so that the Immovable Asset Register can be properly maintained and updated across the nine provinces.
9. Ensure that an updated, fit-for-purpose ICT Architecture is rolled out so that key functions of the DPWI and PMTE, such as an updated Immovable Asset Register (IAR) can be achieved. This will assist the PMTE to unlock the value of the government immovable assets and properties through prudent investments that can eradicate the funding gap.
10. Complete the overhaul and renewal of the ICT Architecture so that the data collection and verification processes to achieve the policy objective to create work opportunities for indigent families through the EPWP is achieved and provinces and municipalities can access the incentive grants. This upgrade of the ICT Architecture is further crucial to achieve the objective of the DPWI and PMTE achieving a clean audit from the Office of the Auditor- General for the 2020-2021 financial year and throughout each year of the sixth administrative term.

#### The Budgetary Allocations and programmes of each of the Public Works and Infrastructure Entities:

* 1. **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). It is an entity of the National Department of Public Works and Infrastructure.

The CBE is responsible for regulating the following six built environment professional councils:

* + 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 oversees and regulates the six professional councils responsible for regulating built environment professionals such as architects, engineers, quantity surveyors, landscape architects, property valuers, and project and construction managers.

In its planning documents for this financial year, the CBE states its mandate as follows:

“The scope of the CBE and councils for the professions in the Built Environment (BE) value chain is to regulate those Built Environment Professions (BEPs) which conceptualise, design, build, maintain and transfer social and economic infrastructure. The CBE executes its mandate from the Council for the Built Environment Act (No. 43 of 2000) (the CBE Act), while also being mindful of the following legislations, regulations, policies and best practice guidelines to exercise good governance, ethical leadership and corporate citizenship. The CBE adopted a Compliance Policy and implements a compliance action plan for identified compliance obligations with quarterly disclosure.”

#### CBE Budgetary allocation for 2020/21:

The **total revenue** of the CBE equals R58.7 million, which is an increase of R2.6 million, (or 4.6 per cent in nominal terms) and 0.22 per cent in real terms from the R56.1 million in 2019/20.

Like the other Public Works and Infrastructure entities, the CBE receives part of its revenue as a transfer from the DPWI’s Programme 4, while the rest consists of sales of goods and services, and non-tax revenue.

The total revenue consists of the following:

* + - * R55.2 million - Transfer Received/ Grant Allocation, an increase of R2.4 million from the R52.8 million received in 2019/20.
			* R2.5 million - Sales of goods and services, other than capital assets, an increase of R120 000 from the R2.4 million amount for 2019/20.
			* R997 000 - Other non-tax revenue, an increase of R48 000 from the R949 0000 received in 2019/20.

In terms of economic classification: Current Expenses/Current Payments are as follows:

* + - * R32.9 million towards Compensation of Employees, an increase of R2.6 million from the R30.3 million allocation in 2019/20.
			* R25.8 million on Goods and Services, a decline of R22 000 from the R25.9 million allocation in 2019/20.

The following table shows the allocations to the programmes through which the CBE plans to execute its mandate:

|  |  |
| --- | --- |
| **Programme** | **Medium-term estimate** |
| R thousand | **2021/21** | **2021/22** | **2022/23** |
| **Programme 1: Administration** | 52 034 | 54 773 | 56 850 |
| **Programme 2: Transformation** (Previously Skills Development in the Built Environment) | 2 065 | 2 168 | 2 250 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Programme 3: Skills and Capacity Development** (Previously Built Environment Research, Information and Advisory) | 2 775 | 2 914 | 3 024 |
| **Programme 4 : Research and Advisory** (Previously Regulation and oversight of six BEPCs) | 630 | 661 | 687 |
| Programme 5 : Regulation and Public Protection (Previously Government Policies and Priorities) | 1 200 | 1 397 | 1 450 |
| **Total expense** | **58 704** | **61 913** | **64 261** |

#### The Construction Industry Development Board (CIDB)

The CIDB provides leadership to stakeholders; stimulates the growth, reform and improvement of the construction sector; and enhances the industry’s role in the South African economy. The total **budget for 2020/21 is R194.3 million.**

The budgetary allocations to perform its mandate per programme for 2020/21 is as follows:

|  |  |
| --- | --- |
| **Programme** | **Medium-term Expenditure Estimates** |
| **2019/20** | **2020/21** | **2021/22** | **2022/23** |
| **Administration** | 82,044 | 86,556 | 91,317 | 95,883 |
| **Research and Development** | - | 7,000 | 7,350 | 13,232 |
| **Construction Industry Regulation** | 71,384 | 33,343 | 35,387 | 37,156 |
| **Construction Industry Performance** | 16.039 | 16,921 | 17,851 | 18,744 |
| **Procurement and Development** | 14,693 | 15,501 | 16,354 | 17,172 |
| **Provincial Offices** | - | 35,000 | 36,750 | 38,588 |
| **Total** | **184,160** | **194,321** | **205,009** | **220,774** |

#### Action items to be performed with the R194.3 million budget:

* + - * The CIDB shall revisit and ensure that the Contractor Register, as detailed in Chapter 3, Section 16 of the Act, is up-to-date in terms of all aspects for all contractors that are registered, and in particular in relation to empowerment and B-BBEE compliance. It is essential that this is actioned and completed within the next 6 months.
			* The CIDB shall commence with the process of developing a database and Register of Professional Service Providers. This has not been compulsory up until now. The Minister, however, shall require that this will become compulsory as at the beginning of the 2021/22 financial year, especially for Special Infrastructure Projects, as determined by the Infrastructure Development Act, No 23 of 2014.
			* The CIDB, in partnership with DPWI, to develop a programme and implementation manual of how to mainstream the Expanded Public Works Programme (EPWP) in all built environment departments across all spheres of government, as well as within other Public Employment Programmes.

#### Matters related to the CBE and CIDB that emerged from deliberations: 31

The Committees noted that the planned programmatic outcomes depended on how well stakeholders and voluntary associations participated in the planned activities – without enforcement power, weak participation could result in the mandated functions of the CBE and CIDB remaining incomplete.

The Strategic Plans and APP indicated on-going challenges of participation with established construction and professional built environment companies, but it did not provide sufficient information on how it was going to enforce participation and ensure transformation across the sector. The two entities also did not show enough strategic inventiveness to deal with the matter of coordination that was required to perform their functions across the sectors.

31 These matters emerged from deliberations focused on the Strategic Plans, APPs, and budgetary allocations of the CBE and the CIDB in a joint virtual meeting held on 20 May 2020 of Joint Meeting of the Portfolio Committee on Public Works and Infrastructure and Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure.

It might be necessary to incentivise participation in strategies to transform the construction and professional built environment and construction sectors. Participation in the Transformation Indabas, the structured graduate internship programme, and learnerships.

Incentives could include tax breaks to companies that take on a number of graduate professionals or construction workers for internship to professional registration. This may include the waiving of the high cost of first-time professional registration fees to increase the number of graduates that become registered professionals, and have a direct impact on transformation in the sectors. The CBE and CIDB have to discuss such incentive breaks with stakeholders, the South African Revenue Services (SARS), and the National Treasury.

It was noted that it was important to promote the professional registration of qualified built environment professional graduates. There has been a tendency for municipalities to continue using unregistered professionals. The CBE was meeting with the South African Local Government Association (SALGA) to address this matter.

It was further crucial that a proper regulated Structured Candidacy Programme be implemented across the sector and that built environment professional employers had to take concrete steps to prevent long lapses before graduate interns enter professional registration examination processes. In both the construction and professional built environment sectors, training and mentorship was an important cog in the transformation process.

In the case of the CIDB, it was noted that the budget allocation for transformation was reduced, yet the number of programmes increased. This suggested that more had to be done with less. This could lead to employment contracts being terminated and workers being left destitute. In addition, the planned outcomes may not be achieved with a lower budget allocation.

The important matter of the CIDB keeping the construction contractor register, and that it had to be able to keep a record of contractors with a bad record of on-time-completion of contracts, low quality of work, and other incidences that hamper completion of projects on time and within budget.

* 1. **Agrément South Africa** is mandated to certify non-standardised or unconventional built environment construction products, materials and systems through technical assessments that verify whether such products, materials and systems are fit for purpose.

The increased focus of the DPWI as sector leader, on infrastructure development, the long-term policy objective in the NDP32 to increasingly provide human settlements where people can live in dignity, with social service infrastructure close to their homes, make the work of the ASA quite important.

All areas of infrastructure development and the built environment professional sector face challenges. Specifically the issue of providing human settlements in a context of economic downgrades, and a narrowing tax base. People are also increasingly dependent on government for housing assistance, provision of basic services and the maintenance of their residential areas.

It is important to note that in its planning documentation, the ASA uses the estimates of the Statistics South Africa (Stats SA), noting that “the demand for adequate housing is about 2.2 million households, which includes households in informal settlements and backyard shacks. These households are dependent on the intervention of the State for housing. Of these, 1.7 million have registered in the Needs Database of the Department of Human Settlements (DHS).”33

As an entity that reports to the Minister of Public Works, the entity is aligned to the commitment of the DPWI to work in ways that are more efficient and use the budgetary allocations to perform its core activities in support of the country’s broader socioeconomic objectives.

#### Tasks that ASA must achieve:

In its planning documentation tabled to Parliament, the ASA notes that the NDP guides it to play an

32 The NDP, stresses the need to fundamentally reshape the apartheid geo-spatial form. It acknowledges that it may take many decades, but directs that all government departments and entities should strive for meaningful progress in creating urban settlements that are functionally integrated, balanced and vibrant, including the revival of rural areas.

33 ASA, APP, p. 31, Annual Performance Plan 2020/21.

integral role as part of government, which would include34:

* + - * Systematically responding to entrenched spatial patterns across all geographical scales that exacerbate social inequality and economic inefficiency;
			* Taking account of the unique needs and potential of different rural and urban areas in the context of emerging development corridors in the Southern African sub- region before making decisions on developments;
			* Reviewing State housing policies to better realise constitutional housing rights, ensuring that the delivery of housing is used to restructure towns and cities and strengthen the livelihood prospects of households;
			* Supporting active citizenry and developing incentives through a range of interventions, which includes the establishment of social compacts; and
			* Planning for human settlements be guided by a set of normative principles that will create liveable, equitable, sustainable, resilient and efficient spaces, including supporting economic opportunities and social cohesion. (National DHS Strategic Plan 2015 to 2020).

The ASA therefore stated a strategic intention to continue with its core certification function of non-standardised fit-for purpose building material and systems. It will simultaneously work out alternative ways to use the allocated budgetary transfer from the DPWI and use its resources more efficiently to support government’s policies to create opportunities for socioeconomic impact and built environment transformation.

#### The Budgetary Allocation to the ASA

The ASA gets some of its income from the annual government grant (during 2019/20, this comprised 85% of its total income), but also generate its own revenues.

For the 2019/20 financial year, the ASA had total revenues of R36.6 million. This amount

34 ASA, APP, pp. 31 and 32, Annual Performance Plan 2020/21.

comprised of R31.1 million from the annual transfer from the DPWI’s Programme 4, and R5.5 million from its own revenue-generation. R4.2 million of this latter amount was generated for rendering of services and another R1.3 million from returns on investments.

The table below summarises the for ASA’s budget allocation for the MTEF-period. The reduced budget allocation is a key challenge. This will require ASA to be more cost-efficient and to seek strategic ways to increase its own revenues in the future, so that it reduces its reliance on 85% of revenue from the government grant.

The ASA revenue for the 2020/21 financial year and over the MTEF is as follows:

|  |  |
| --- | --- |
| **Statement of financial performance** | **Medium-term estimate** |
| R thousand | **2020/21** | **2021/22** | **2022/23** |
| **Revenue** |  |  |  |
| **Tax revenue** | – | – | – |
| **Non-tax revenue** | **4,300** | **4,570** | **4,666** |
| Sale of goods and services other thancapital assets | 2,966 | 3,154 | 3,349 |
| *Of which:* |  |  |  |
| *Administrative fees* | 1,418 | 1,529 | 1,643 |
| *Sales by market**establishment* | 1,548 | 1,625 | 1,706 |
| *Other sales* | – | – | – |
| *Other non-tax**revenue* | 1,335 | 1,416 | 1,317 |
| **Transfers received** | **31,164** | **32,564** | **33,413** |
| **Total revenue** | **35,464** | **37,134** | **38,079** |
| **Expenses** |  |  |  |
| **Current expenses** | **35,464** | **37,134** | **38,079** |
| Compensation ofemployees | 21,175 | 22,510 | 23,455 |
| Goods and services | 13,864 | 14,178 | 14,178 |

|  |  |  |  |
| --- | --- | --- | --- |
| Depreciation | 425 | 446 | 446 |
| Interest, dividendsand rent on land | – | – | – |
| **Transfers and****subsidies** | **–** | **–** | **–** |
| **Total expenses** | **35,464** | **37,134** | **38,079** |

#### The Independent Development Trust (IDT):

The Minister as policy leader of the IDT withdrew the formal submission of the Strategic Plan (2020-2025) and the APP for the current financial year. In addition, the committee did not receive any information from the Minister or the DPWI on the updated plans to transform, restructure, or dissolve the entity.

In spite of this, and in the absence of updated information of what will happen to the entity and the important social infrastructure mandate it has to deliver, guided by its mandate to exercise oversight over the entity, the Portfolio Committee lists the following as background. This is followed by a summary of the challenges involving the key task of project managing social infrastructure delivery across the provinces and regions of the country.

#### Background:

The IDT evolved from a grant-making organisation into a responsive development agency with a well-established footprint across South Africa.

The IDT augments government’s capacity to achieve the objectives of the National Development Plan (NDP) and Vision 2030. A review and transformation process was undertaken has been started during the 2014 to 2019 five-year administration to strengthen this role. This included a confirmation of the IDT’s mandate to deliver social infrastructure cost effectively.

The IDT is the public works and infrastructure entity that should use its resources in the initiation, planning and implementation of innovative and sustainable development projects, to positively address the challenges in which geo-spatial patterns of poverty, inequality, unemployment and underdevelopment occurs in the regions and provinces of the country.

This function of the entity was underpinned by the 1997 government resolution to reconstitute the IDT as a development agency and public entity to support all spheres of government. It followed Cabinet endorsement of a recommendation of a Cabinet Advisory Committee that, inter alia, “*The IDT must be transformed into a government development agency that will implement projects which are commissioned by government departments. It must cease to be a civil society organisation, an independent agency or funding agency*.”35 Building on its effectiveness as a civil society body and redistributive mechanism, the IDT was integrated into the public service delivery system in 1999 with the promulgation of the Public Finance Management Act (PFMA) (Act 1 of 1999), as amended, and listed as a Schedule 2 Major Public Entity. The 1997 mandate of the IDT remains in place.

Over the last few years, the entity, and the Minister recognised the operational and financial challenges that it faced due to its inability to collect management fees owed to it. This resulted reduced trust between the entity, client departments, and a decline in its business portfolio caused its deficits to grow substantially. The entity had been undergoing a long drawn out transformation process that included a revision of its operating model and organisational redesign. It remained firmly focused on achieving business growth and achieving long-term sustainability. The Board and management approved a turnaround plan aimed at repositioning the entity to be financially viable and self-sustaining.

All development reviews conducted by government, i.e. 5, 10 and 20 years36, as well as the NDP 2030 placed emphasis on the need to build the capacity of government as a prerequisite for the attainment of its development imperatives. Thus, rather than duplicate programmes, or possibly positioning the IDT as a super agency that could usurp the functions of the DPW, the PMTE, or other government departments, the review of the IDT’s mandate was important to enhance the

35 “Structural Relationships between Government and Civil Society Organisations”, Report prepared for the Deputy President, Thabo Mbeki, South Africa. p. 3

36 Government’s 10, 15, and 20 Year Review was done by the Presidency, in collaboration with all Ministers and departments, and printed and disseminated by the Government Communication and Information Services (GCIS).

objective of building a capable developmental state. The functions of the IDT is crucial for social infrastructure development across the urban and rural divide including redressing town and city geo-spatial planning that continued the inherited apartheid model. This role of the DPWI, PMTE and an entity such as the IDT is a key pillar on which future economic growth must take place.

#### Summary of Challenges:

* + - 1. In spite of a long drawn out transformation process, the IDT was never converted from a schedule 2 to a schedule 3A public entity;
			2. The policy leader and the DPWI as lead department did not report on progress with the implementation of any aspect of the 2018 Turnaround Plan including how to align the IDT and the DPWI’s mandates.
			3. In spite of the knowledge that the IDT was unable to collect management fees from client departments for project management services to construct social infrastructure projects, nothing was done to enforce debt payment by client departments;
			4. The long drawn-out transformation process of the IDT caused competent administration and financial management personnel to leave and this weakened its abilities to collect debt, and negatively affected financial management, and caused compliance with legislation and regulations to suffer;
			5. These resulted in negative audit findings made by the Auditor-General in its latest Management Report and previous Annual Financial Performance Reports;
			6. The IDT suffered from a trust deficit with government departments looking for project management, and maintenance services from other entities such as Coega Development Corporation and the Development Bank of South Africa (DBSA);
			7. The Board of the IDT lost members, which meant that it could not appoint financial, and management personnel.
			8. Policy leadership did not timeously assist to ensure that the Board was quorate to develop restructuring and organizational design processes;

#### Strategy to deal with the entity’s challenge:

In meetings with the PC on PWI during the 2017/18 financial year, the Minister, Deputy Minister, DPWI, and IDT reported on the strategy to reconfigure, the entity into a streamlined social infrastructure agency.

The DPW stated that the IDT had to be transformed into a more technically proficient, social infrastructure delivery agency. This process would be undertaken by a task team that include the National Treasury, DPW, the IDT, Public Service and Administration and other key role players.

The plan was to pattern the newly configured IDT along the same model as that of the Government Technical Advisory Centre (GTAC)37 . This model results in a highly professional advanced technical advisory agency that provides *programme*, *project management* and *transaction support* to National Treasury and the Minister of Finance. Similar to the GTAC, the new social infrastructure agency would be established as a government component in terms of the Public Service Act.

The DPW asserted that the committee had to keep in mind that the process required a new mandate from the Minister as policy leader.

The committee stressed that the Minister as policy leader and the DPW as the implementer of this policy had to do oversight that is more stringent over the IDT. The Deputy Minister and Minister agreed with this point and stressed that the IDT could not continue in its current format. It stressed, however, that the policy leader and the DPW was committed to drive the process of restructuring it. It had to be kept in mind that it was a difficult process. Engaging the unions was a key aspect that must be sensitively addressed to ensure that the process stayed on track.

The committee had to take note that the staff complement and budgetary matters of the new IDT would also require further Cabinet approval.

37 The Government Technical Advisory Centre (GTAC) is an agency of the National Treasury. It was established to support public finance management through professional advisory services, programme and project management and transaction support. GTAC promotes public sector capacity building through partnerships with academic and research institutions, civil society and business organisations. GTAC reports to the minister of finance and is established as a government component in terms of the public service act. See [www.gtac.gov.za](http://www.gtac.gov.za/) for further information.

The current Minister initially supported the idea of restructuring the IDT and processing the business case for its restructuring. In the 10 July 2019 Budget Vote Policy Debate38, she stated that: “The Deputy Minister and I will be engaging with the Board of the IDT on its turnaround plan as well as codifying its mandate with the view to concluding its business case.” It remains unclear what transpired since July 2019 to May 2020, when she publicly stated in the Mail and Guardian that she set up an exit strategy to dissolve the entity. The Portfolio Committee on PWI therefore cannot claim to understand what prompted the morphing from the strategy to restructure through a Cabinet process, to an exit strategy dissolving an entity that performs a function that remains important for a developmental democracy.

There has been insufficient updated information provided to the Portfolio Committee on Public Works on the strategy to restructure the IDT.

Members asked about it in meetings and the Chairperson wrote to the Minister requesting for updates.

#### Recommendations related to the social infrastructure delivery tasks of the IDT, PMTE and DPWI:

* The Minister and the Department of Public Works and Infrastructure should improve its monitoring and oversight responsibility over the IDT and its Board, including ensuring that it was quorate so that it could complete its mandated responsibilities.
* The Minister and the DPWI should complete the legislation to align the mandates of the IDT, PMTE and DPWI.
* The legislation should provide for improved *enforcement*, *regulatory*, and *coordination power* (that is also required for the DPWI and the PMTE to perform its sector oversight, regulation, coordination, and enforcement) for transformation purposes as well as to collect management fees for infrastructure projects completed on behalf of client departments.

38 Budget Vote Policy Debate, Minister of Public Works and Infrastructure, 10 July 2019, p. 13.

* 2.2. The Minister should regularly and timeously report her oversight findings to this committee on the path towards finalising certainty of the business case of the IDT by Cabinet.

#### Matters that emerged from the committee deliberations on the planning documents of the ASA and the IDT:

* The committees noted that the Agrément SA identified the lack of informing stakeholders and the public of its innovative fit-for-purpose building materials and systems as a weakness. The systems and building products that ASA develops could result in speeding up the completion of high quality, environmentally friendly houses, and social infrastructure amenities such as clinics, hospitals, police stations, and courts. Given the objectives of the National Development Plan, and Vision 2030, the ASA therefore has a crucial role to play in the public works and infrastructure sector.
* The committees made it clear that without sister departments such as the Department of Human Settlement and Sanitation Services, and municipalities using these products, the ASA would be operating in a vacuum. It must make its products and services to the public works and infrastructure sector known, and government departments at all levels must start using its certification services and products to reach the objectives of the NDP and Vision 2030.
* The committees welcomed the undertaking by the ASA to deal with this matter in its work with the National Home Building Registration Council (NHBRC) and the Department of Human Settlement and Sanitation Services, and sister infrastructure departments.
* The committees were pleased that the ASA had appointed females in more than half of its organogram.
* Concerning the Minister of Public Works and Infrastructure’s assertion that the IDT’s Strategic Plan, Annual Performance Plan (APP) could not be tabled, and that the entity had to be dissolved, the committee made the following comments:
* The committees strongly objected to the Minister having released information on the IDT’s Exit Strategy in the media before informing the committees that she was dissolving the entity.
* The Interim Board Chair confirmed that the Minister and the DPWI knew of the Board vacancies and that no appointments were made to ensure that there the governance structure remained in place. He stressed that it had a strong internal audit committee in place.
* The committees stressed that the Minister needed a stronger monitoring and evaluation unit in her office that can timeously alert her of challenges in the governance structures of the public works entities as well as problems in her department.
* The matter of consequence management to deal with irregular expenditure, and possible malpractice in the IDT had been dealt with; a comprehensive report was available and would be submitted to the committees.
* The Minister, having requested the withdrawal of the Strategic Plan, and Annual Performance Plan of the IDT, the Committees may have to exclude it from its Budget Vote Reports for this financial year.
* The committees were not treating the presentation on the withdrawal of the IDT’s Planning documents as the end of the process, but rather as the beginning. A good question to ask at this initial stage of dealing with the entity’s challenge is whether this suggested Exit Strategy is the best solution for a department that should drive social infrastructure development.
* The Minister committed to account and provide detailed responses to questions put to her office on her mandated responsibilities. The Deputy Minister affirmed that the Office of the Minister would not deliberately undermine the Portfolio and Select Committee on the work that it was mandated to perform.
* The committees committed itself to work with the Minister, the DPWI, PMTE, IDT, ASA, and other entities to find solutions for the challenges of this department that must lead, coordinate and regulate the South African public works and infrastructure sector.

#### Recommendations:

Having considered the planning documents and budgetary allocations for this financial year, the committee recommends that the Minister of Public Works and Infrastructure:

* 1. Ensures that a functioning administrative, financial management, accounting, and reporting system is maintained that can regularly report to the Minister and the National Treasury on

matters that may weaken the achievement of the policy outcome to change the DPWI into a resilient, ethical, and capable government department and a performing organisation. Reports on this matter in the third quarter performance report by 30 September 2020, and subsequently, in each quarterly performance report.

* 1. Provides that a comprehensive report on consequence management to deal with irregular expenditure, malpractice, and corruption in the DPWI, PMTE, and IDT be made to the committee by the end of August 2020.
	2. Urgently completes the review of the White Papers 1997 and 1999; further, tables the legislative work that is required to strengthen the DPWI mandate as accommodator and landlord of the state, so that it can properly claim management fees from client and user departments for construction, maintenance, and rehabilitation work completed within each financial year. Reports on this matter by August 2020.
	3. Reports on the negotiations with the Presidency, and relevant departments, for the DPWI to play the coordinating and leadership role in the infrastructure sector across the national, provincial, and municipal government levels. A comprehensive report to be made to the committee by end of August 2020, on the funding, performance reporting, and accounting flow in which the facilitation and coordination of public infrastructure development will unfold through the rollout of the District Development Model across South Africa’s 44 districts.
	4. Ensures that the DPWI legislative and regulatory regime is properly aligned to the Spatial Land Use Management Act (SPLUMA), and the Infrastructure Development Management Framework of government. Reports on this by end of August 2020.
	5. Instructs the DG and the senior management team to complete the establishment of the Information and Communication Technology (ICT) Executive Committee as a precursor to completing an ICT Strategy that is aligned to its organisational strategy as per the five- year Strategic Plan and APP. Reports to this committee by the end of June 2020.
	6. Ensures that the ICT Executive Committee drives the completion of the rollout of the ARCHIBUS software so that the Immovable Asset Register can be properly maintained and updated across the nine provinces. Reports on this matter in the third quarterly report by July 2020.
	7. Ensures that an updated, fit-for-purpose ICT Architecture is rolled out so that key functions of the DPWI and PMTE, such as an updated Immovable Asset Register (IAR) can be achieved. This will assist the PMTE to unlock the value of the government immovable assets and properties through prudent investments that can eradicate the funding gap. Reports on this matter in the third quarterly report by 30 September 2020.
	8. Completes the overhaul and renewal of the ICT Architecture for improved data collection and verification processes to achieve the policy objective to create work opportunities for indigent families through the EPWP and to get a clean audit report for this financial year. Reports on this matter in the third quarterly report by 30 September 2020.
	9. Instructs the PMTE, to report quarterly on scheduled maintenance and the plans to decrease unscheduled maintenance.
	10. Instructs the EPWP branch in its quarterly performance reports to report on innovative ways to up-skill beneficiaries, in order to reduce our national skills deficit.
	11. Leads the DPWI to undertake inter-governmental cooperative programs with Departments such as Department of Trade, Industry, and Competition (DTIC), Small Business Development (DSBD), Higher Education and Training (DHET), and Employment and Labour (DEL), with a view to increase training and skills development to achieve the policy objectives to create employment and eradicate poverty.
	12. Urgently informs the committee of the plan to ensure that government has a social infrastructure development agency in place to continue the service delivery of the Independent Development Trust (IDT). Further, to consider alternatives to continue to initially made plans to restructure the IDT into a social infrastructure delivery agency established as a government component in terms of the Public Service Act. Reports on this matter by 31 July 2020.
	13. Improves the monitoring and oversight function of the Minister’s Office over all the public works and infrastructure entities, so that all governing structures quorate so that the administration of each entity remains fully functional to complete its mandated responsibilities. Reports on this matter by 31 August 2020.
	14. Provides a comprehensive report on expenditure during the Covid-19 disaster period and the provision of personal protection equipment and professional services to put quarantine sites in place across national, provincial and local government level. The report to be made

to the committee by the end of September 2020 and in subsequent quarterly performance reports.

* 1. Completes the legislation to align the mandates of the IDT, PMTE and DPWI, and provide for improved *enforcement*, *regulatory*, and *coordination power* (that is also required for the DPWI and the PMTE to perform its sector oversight, regulation, coordination, and enforcement) for transformation purposes as well as to collect management fees for infrastructure projects completed on behalf of client departments. Reports on this matter by 28 February 2021.
	2. Reports to the committee on the transformation targets for designated groups of the department, the PMTE, and the public works and infrastructure entities to ensure that the problem of the high vacancy rate is addressed. Feedback is required in each quarterly performance report on an increased budgetary allocation to fill vacancies so that specialised built environment professionals in the PMTE can be attracted and retained.
	3. Reports on improved legislative and regulatory change to address the difficulties experienced by the CBE and CIDB to transform the construction and professional built environment. Updates this committee timeously on developments on transformation strategies in the construction and professional built environment in a comprehensive report by the end of 31 July 2020, and subsequently, in each quarterly report.
	4. Reports on innovative measures taken to incentivise participation in strategies to transform the construction and professional built environment and construction sectors improve stakeholder participation in the Transformation Indabas, the structured graduate internship programme, and learnerships. This report is required by 31 July 2020, and subsequently, in each quarterly report.
	5. Reports on the strategies to improve professional registration of qualified built environment professional graduates including a proper regulated Structured Candidacy Programme for the professional built environment sector so that the built environment professional employers could take concrete steps to prevent long lapses before graduate interns enter professional registration through examination processes.
	6. Instructs the ASA to report to the committee on strategies it will undertake to ensure that its products and services is known and used by government departments at all levels to advance and speed up the objectives of the NDP and Vision 2030. The strategies

undertaken in collaboration with the CBE, the CIDB, the Department of Human Settlement and Sanitation Services, the National Home Builders Registration Council (NHBRC), and municipalities to use environmentally friendly building systems and materials. A report to be made by 30 September 2020.

Report to be considered.