**Report of the Portfolio Committee on Public Works and Infrastructure on Budget Vote 13: Public Works and Infrastructure, dated 6 May 2022**

The Portfolio Committee on Public Works and Infrastructure, having met on 3, 4 and 6 May 2022; and having deliberated on the Annual Performance Plans (APPs) of the Department of Public Works and Infrastructure (DPWI, the department), the Property Management Trading Entity (PMTE), and the public works and infrastructure entities;reports as follows:

**1. Introduction**

The Public Finance Management Act (1999) defines the Minister of Public Works and Infrastructure as the executive authority of the department. TheAct further defines the Director-General (DG)as the accounting officer of the department; he or shemust comply with the provisions of the Constitution and the PFMA and ensure sound financial management of the allocated budget and the business of the department. The Minister provides policy (political) leadership to the DG and the senior management team over how the department and the public works and infrastructure entities[[1]](#footnote-2), should use the allocated budgetary and human resources to translate policy ideals into implementable programmes.

**The policy and monitoring role of the Minister over the DG and Senior Management Team**

The Office of the Minister plays a policy leadership and monitoring role. A healthy distance must be maintained between the administrative management and financial management duties of the DG and senior management on the one hand, and the Minister and her political office on the other. The Minister as the policy leader and executive authority leads through monitoring whether and how the budget is used as tool to implement policy ideals. This is done through the in-year monthly and quarterly expenditure and performance reports that the Director-General[[2]](#footnote-3), Deputy Directors-General (DDGs), and senior management service personnel must timeously submit to her office and to National Treasury.

The Minister uses the information on the performance of each branch and sub-branches of the department per month and quarter, to report to the Portfolio Committee. The annual performance plan and budgetary allocation, with the performance areas and indicators, are important projection tools to drive towards predetermined objectives. Inside the department, the DG and senior management keeps the Minister informed on a monthly, quarterly, and annual basis. Similarly, the Minister and the DG mustkeep the national legislaturefully informed(by engaging this committee) on predetermined policy and programmatic targets stated in the five budget vote, and annual reports during theadministrative term. This leads us to the methodology through the committee performs its oversight work.

**The method of oversight work**

The Portfolio Committee of Public Works and Infrastructure in turn, does oversight over how the Minister performs in the role of executive authority of the department.

In order to do its oversight, the committee interacts with, and receives monitoring reports[[3]](#footnote-4)fromthe 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. During the year, the committee performs visits to key project sites that might have been identified as challenging in performance and annual reports, but also from petitions on relevant matters, including media and other stakeholder sources. Individual members further ask questions for written and oralreply (on a rotational basis) that the Minister is obligated to reply to.

The committee uses issues that emerge from these meetings, deliberations, and responses to questions,to analyse, assess and monitor the work of the Minister, the department, and public works and infrastructure entities. It makes recommendations to the Minister to address specific oversight issues that might have emerged at stated deadlines. These are contained in the committee’s reports that are published in parliament’s Announcements, Tablings, and Committee reports (ATCs) throughout the year.

Since the first year of this administrative term, the Minister, Deputy Minister, DG, senior management team, Boards and Chairpersons of entities cooperated fully in this process. This greatly assisted to deal with delivery blockages. In spite of certain matters remaining stubbornly incomplete, the committee appreciates this cooperation as it forms the fibre of a healthy democracy that enables growth of state capacity to improve service delivery to the nation.

The committee further receives and interacts with the auditing analysis and opinions performed annually by the Office of the Auditor-General (OAG) on the operations of the department and entities.

Due to the ongoing effects of the Covid-19 pandemic, and the devastating blaze that destroyed parliamentary buildings in 2022, at the time of writing, the venues of parliament remains inaccessible.For the purpose of dealing with the reports on the Annual Performance Plans (APPs) and Strategic Plans (SPs) and the budget vote for this financial year, meetings were held in virtual mode and took place on 3,4and 6 May 2022.

**1.1. 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.

**1.2. A shift towards policy and regulating leadership for the DPWI**

During the 2015/16 financial year the policy leader initiated a shift in the focus of the department. This resulted in a division between the policy making, regulating, and monitoring arms on the one hand, and the practical implementation of the department’s mandate on the other; the department would play the policy making, regulating, and monitoring functions while the implementation functions shifted to the PMTE.

This shift allowed the department to renew its focus on:

* policy formulation.
* setting uniform standards for the coordination, collection, and validation of employment creation at national, provincial and municipal government and other public bodies.
* setting uniform standards for the management, leasing, contracting,and maintenance 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, the department 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 perform public works and infrastructure implementation roles.

The broad policy of government, and planning documents of the department and its entities are instruments that aids the monitoring of how policy ideals are translated into implementable programmes. The APPs show the department’s stated policy objectives, programmes and sub-programmes, human and financial resources, and budget that will be applied to implement the broad policies of government. These APPs provide the performance targets, performance indicators, and timeframes within which the predetermined objectives should be achieved.

In this report, before dealing with the APP and budgetary resource analysis, the committee first assesses whether the policy and programmatic objectives are aligned with the broad policy of government, the transformative trajectory of the NDP, Economic Recovery and Reconstruction Plan (ERRP), Medium Term Strategic Framework (MTSF) 2019/20 to 2024/25, and the policy imperatives set out by the President in the State of the Nation Address (SoNA).

**2. Alignment of the DPWI Strategic Outcomes with the policy priorities of the NDP, the ERRP and the SONA over the Medium Term Strategic Framework (MTSF)**

The President listed seven priorities aligned to the NDP namely:

1. Economic transformation and jobcreation.
2. Education, skills andhealth.
3. Consolidating the social wage through reliable and quality basicservices.
4. Spatial integration, human settlements and localgovernment.
5. Social cohesion and safecommunities.
6. A capable, ethical and developmental state;and
7. A better Africa andWorld.

In line with the broad policy objectives, the2022SONA[[4]](#footnote-5)emphasised public works and infrastructure responsibilities of jobcreation,theimplementationoflarge-scaleinfrastructure projects and maintenance. Apart from these, the departmenthad to ensure that it used the budgetary and human resources to implement thefollowing priorities that government identified over the MTSF:

1. Massify job creation and infrastructure.
2. Structural reforms to ease doing business.
3. Better leveraging public procurement.
4. Digitisation and modernisation.
5. Food security and household income.
6. Basic services, electricity and water and sanitation.
7. Eradicate title deeds backlogs.
8. Vaccinations.
9. Corruption prosecutions.
10. Reduce violent crimes

In its APP the department included an emphasis on the following matters on the policy list prioritised by government:

**Better leveraging public procurement:**The department committed to improve and strengthen public procurement. It emphasised the development of Small, Micro, and Medium Enterprises (SMMEs) and local supplier industries so that localised economies are developed and included in the larger economy, and more employment opportunities are created.

**Massify job creation and infrastructure:** Government identifiedinfrastructure developmentas the catalytic drive that would stimulate economicactivity. The inclusion ofInfrastructureSouthAfrica(ISA) within the DPWI is a strategic policy initiative toimplementinvestmentthroughblended funding mechanisms.Amemorandum of agreement with the Development bank of South Africa and National Treasury spelled out the different functions of each to roll out a pipeline of blended financed infrastructure projects throughout the MTSF. The pipeline is to be funded by the R100 billion Infrastructure Fund that will be leveraged to get the private sector to invest and participate in increase infrastructure investment. Several projects have been approved by Cabinet as part of the National Infrastructure Plan (NIP) 2050, to be implemented in a Single Infrastructure Project Pipeline gazettedas Strategic Integrated Projects (SIPs). Of these, five SIP programmes are implemented by the Department whichinclude:

SIP 21m:SmallHarbours Development: National;

SIP 25:Rural Bridges "Welisizwe" Programme;

SIP 28:PV andWaterSavings onGovernment Buildings Programme;

SIP 29: Comprehensive Urban Management Programme; and

SIP 36:Salvokop Precinct.

The department conceded that it faces significant backlogs due to property and infrastructure not being properly maintained. It committed toimprove the condition of and preserve the existing property portfolio. It wants toaddress maintenance inefficiencies byundertaking less unscheduled maintenance. Unfortunately this matter has been raised several times in the past as a programmatic weakness. The department refers to the involvement of the private sector to improve this identified challenge. It further states the involvement of ISA in a newly designed Refurbishment Operate and Transfer (ROT) programme in a public-private partnership arrangement. This stated intention is new; the committee needs detailed information on the three facilities referred to as part of the pilot; including budgeted and resourced items linked to stated performance targets and scheduled indicators regarding this initiative in the APP.

**Stated intentions to improve ten areas of business**

The department identified the following as initiatives to improve how it performs its business:

1. **A Change ManagementProgramme** that seeks tobring about a Capable and Ethical DPWI located in the Constitutional Values and Principles of Public Administration and Batho Pele;
2. **A Service Delivery Improvement Programme (SDIP)** that is underpinned by Service Standards andCharters with service beneficiaries that is characterised by customer responsiveness andorientationthroughoutthevaluechain(BathoPele);
3. **A Business Process Management Programme** including the implementation of the Infrastructure DeliveryManagementSystem(IDMS)andthe Sustainable Infrastructure DevelopmentSystem(SIDS)methodologytoaddressamong others, the lack of coordination in the property management and infrastructure delivery business;
4. **Implement the Enterprise resource planning (ERP)** Fast Track Programme (aligned to the aforementioned business process management programme) to advance automation and thereplacementof manualsystems andprocesses;
5. **Review theMacro Business andDelivery Modelof the DPWI**, andassociated revision of the Structural Model of theDepartment (andconsequently theRegional Office and Head Office Models), and associated governance and accountability arrangements;
6. **Establish the Ethics & Compliance, InfrastructureandConsequence Management Unit**inthe Departmentto guide andenforce expected standardsof behaviour;
7. **Radically improve Contract ManagementandMonitoring Capability**to mitigate contract delivery risk throughout the Department;
8. **Implement an OrganisationWideSkillsAssessment** to determinethecurrentskillsmixandthe interventions, including an expedited capacitation drive, required to optimise service delivery;
9. **Organisation-wide maturity within Strategic Planning** (the ability to plan for results),PerformanceMonitoring(monitorand deliverresults)andRiskManagement (anticipate and avoid/mitigateuncertainties before they occur) in partnership with the National School of Government; and
10. **Sustaining a Clean Audit for DPWI and PMTE** - The successful implementation of the above interventions is intended to move the department towards a clean audit in both the Main Vote and the Property ManagementTradingEntity (PMTE).

**3. Analytic comments on the DPWI, PMTE APPs and its links with enablers for priority policy interventions**

During this administrative period the committee provided input on a list of key enablers (in line with the NDP and the MTSF) within the ERRP that enables it to check on how the DPWI, PMTE and public works entities are faring in its APPs and outputs to put these in place. We repeat it in this report for 2022/23. As some of the stubborn inadequacies identified in previous years continues to hamper performance, we repeat it in this year’s report.

**3.1. DPWI’s APP alignment with the ERRP, NDP and Vision 2030**

The programmes of the DPWI, PMTE and public works entities, as infrastructure developers, property managers, accommodators, and maintainers of government assets, play a key role in the economic recovery and reconstruction of the country. The DPWI, PMTE and public works and infrastructure entities must in its APPs and budgetary allocation for this financial year show that its programmes are going to implement these as enablers that ensure recovery and reconstruction.

The recovery and reconstruction described in the ERRP, aligned with the NDP and Vision 2030 and the SONA is the plan along which those objectives will be implemented in the 2021/22 financial year.

The APPs of the department, PMTE and entities must be firmly aligned with the South African ERRP. It is reasonable to expect the followinginterventions to feature in its programmes:

* Aggressiveinfrastructure investment.
* Employmentorientatedstrategiclocalization,reindustrializationandexportpromotion.
* Gender equalityandeconomicinclusionofwomenandyouth.
* Greeneconomyinterventions – across the portfolio, but especially through the work of the Agrément South Africa; and
* Masspublicemploymentinterventions – through the coordination of EPWP projects through Programme 3 of the DPWI.

We now turn to the manner in which programmes, human resources and budgetary allocations have been applied to ensure that these policy interventions can be achieved during the 2022/23 financial year.

**4. The budget allocation for 2022/2023**[[5]](#footnote-6)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **NominalRandchange** | **RealRandchange** | **Nominal%change** | **Real%change** |
| Rmillion | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2021/22-2022/23** | **2021/22-2022/23** |
| 1.Administration | 504,5 | 512,2 | 509,1 | 526,4 | 7,7 | -14,4 | 1,53 | -2,85 |
| 2.IntergovernmentalCoordination | 58,5 | 63,8 | 63,0 | 65,0 | 5,3 | 2,6 | 9,06 | 4,36 |
| 3.ExpandedPublicWorksProgramme | 2921,1 | 3074,7 | 3085,2 | 3231,1 | 153,6 | 21,2 | 5,26 | 0,73 |
| 4.PropertyandConstructionIndustryPolicyandResearch | 4781,0 | 4816,2 | 4834,0 | 5051,4 | 35,2 | -172,2 | 0,74 | -3,60 |
| 5.PrestigePolicy | 89,1 | 80,4 | 77,6 | 80,3 | -8,7 | -12,2 | -9,76 | -13,65 |
| **TOTAL** | **8354,2** | **8547,3** | **8568,9** | **8954,2** | **193,1** | **-175,0** | **2,31** | **-2,09** |

Source:National Treasury(2022) and own calculations

The department receives a voted allocation of R8.55 billion for 2022/23 with which to accomplish the prioritieslisted above. This represents anincrease of 2.3 per cent in nominal terms, and a decline of 2.1 per cent in realterms (calculating the impact of inflation) from the 2021/22 adjusted appropriation of R8.35 billion. The budget represents approximately 0.1 per cent of the national appropriation by vote, excluding direct charges.

In terms of economic classification, the budget includes Transfers and Subsidies totalling 87.1 per cent of the budget, with a total monetary value of R7.45 billion (compared to R7.36 billion in the adjustment period). This constitutes a 1.2 per cent nominal increase, and a decline of 3.2 per cent in real terms since the growth in the allocation is below the projected average inflation rate of 4.5 per cent for 2022/23.

R1.64 billion of the Transfers and Subsidies is in the form of conditional grants to Provinces and Municipalities, while a total of R4.63 billion is allocated to departmental Agencies and Accounts. For 2022/23, Current Payments amount to 12.6 per cent (i.e. R1.08 billion) and Capital payments to 0.2 per cent of the budget (i.e. R20.1 million).

Compensation of Employees decreases by R1.5 million (from R582.7 million in the 2021/22 adjusted period) to R581.2 million in 2022/23

Goods and Services increases by R106.0 million (from R393.1 million in the 2021/22 adjustedperiod)toR499.1million, of whichthefollowinglineitems are subcategorisedinthe following table:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **NominalIncrease /Decreasein****2022/23** | **RealIncrease /Decreasein****2022/23** | **NominalPercentchangein2022/23** | **Real Percentchangein2022/23** |
| **R million** | **2021/22** | **2022/23** |  |  |  |  |
| AdministrativeFees | 52,6 | 93,5 | 40,9 | 36,9 | 77,76 | 70,10 |
| ComputerServices | 39,9 | 40,7 | 0,8 | -1,0 | 2,01 | -2,39 |
| Consultants:BusinessandAdvisoryServices | 25,7 | 42,8 | 17,1 | 15,3 | 66,54 | 59,37 |
| AgencyandSupport/OutsourcedServices | 60,1 | 82,5 | 22,4 | 18,8 | 37,27 | 31,36 |
| OperatingLeases | 38,3 | 43,1 | 4,8 | 2,9 | 12,53 | 7,69 |
| TravelandSubsistence | 34,8 | 49,7 | 14,9 | 12,8 | 42,82 | 36,67 |
| InterestandRentonLand | 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 R1.35 million for 2022/23.

 This is a decrease of R835 000from the R2.18 million reported in adjusted period of 2021/22. The Department sub- categorises the sale of Goods and Services it produces according to Sales generated through market establishments and Other sales.

* R298000isexpectedtobegeneratedthroughtheSaleofGoodsandServices produced by the Department, of which:
	+ R125 000 is generated through Market establishment (covered and open rental parking).
	+ R3000isgeneratedthroughAdministrationfees(Servituderights).
	+ R170000isgeneratedthroughOtherSales:Tenderdocuments.

TheDepartmentalsogeneratesrevenuethroughthefollowing:

* R700000inInterest,dividendsandrenton land.
* R350000inTransactionsinfinancialassetsandliabilities.

**4.1. 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 department is in the initial stages of including various functions that come with its new infrastructure mandate. Accordingly, some funds 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 andoutcomes-based”[[6]](#footnote-7) department that is “focused on implementation”[[7]](#footnote-8). 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 servicedelivery.”[[8]](#footnote-9)

The department lists the following as performance targets for this financial year:[[9]](#footnote-10)

* ReachanEthicsandFraudPerceptionsurveyratingof41-60percent.
* Agoodgovernancecompliancemanagementpracticesrateof100percent.
* Aperformanceinformationlevelof81-100percent.
* Spend100percentoftheallocatedbudget.
* Percentageofvacancyrateat11percent.
* Provide designated groups of 40 per cent women and 2 per cent people with disabilities with empowerment and opportunities.
* Ensure30percentofbusinessprocess automation.
* Information,CommunicationandTechnology(ICT)architecttoenablebusinesssolutions for digitisation and modernisation of 30 per cent of the system.

The programme receives an allocation of R512.2 million, which proportionallyrepresents6.0percentoftheoveralldepartmentalbudget.Itsallocationincreases by R7.7 million and constitutes (a nominal rate increase of 1.5 per cent and a decreaseby 2.9per centinrealterms)fromthe R504.5millionrevised allocation of2021/22.

In terms of economic classification, the programme budget includes Current Payments to the value of R501.7 million, (of which R290.2 million is to be spent on Compensation of Employees). The budget for the Compensation of Employees under Programme1decreasesbyR2.3millionor0.8percentinnominaltermsandadeclineof5.1percentinrealtermsin 2022/23.

Further, the Department allocates R211.5million to Goods and Services. This constitutes an increase of R8.0 million (or 3.9 per cent in nominal terms), and a decline of 0.54 per cent in real terms fromthe R203.5 million adjusted allocation in 2021/22. Furtherexpendituretrends for Goods and Services (in real terms) for 2022/23 is illustrated in Table 3 below:[[10]](#footnote-11)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **Nominal Increase / Decreasein****2022/23** | **Real Increase / Decreasein****2022/23** | **Nominal Percent changein****2022/23** | **Real Percent changein2022/23** |
| **Rmillion** | **2021/22** | **2022/23** |
| Communication | 12,3 | 18,5 | 6,2 | 5,4 | 50,41 | 43,93 |
| ComputerServices | 39,9 | 40,6 | 0,7 | -1,0 | 1,75 | -2,63 |
| LegalServices | 25,4 | 18,0 | -7,4 | -8,2 | -29,13 | -32,19 |
| operatingLeases | 34,8 | 38,6 | 3,8 | 2,1 | 10,92 | 6,14 |
| PropertyPayments | 17,1 | 21,1 | 4,0 | 3,1 | 23,39 | 18,08 |
| TravelandSubsistence | 11,6 | 16,9 | 5,3 | 4,6 | 45,69 | 39,42 |
| InterestandRenton Land | 0,0 | 0,0 | 0,0 | 0,0 | n/a | n/a |

A total of R9.5 million is allocated towards Capital expenditure. This constitutes an increase of R1.9 million (or 25.0 per cent in nominal terms and 19.6 per cent in real terms), from the R7.6 million of the previous year. The above-allocation is for Machinery and Equipment.

As noted above, a large portion of the Administration budget is allocated towards Compensation of Employees and Goods and Services. The Department indicates that the key role is to align people to processes and systems to drive organisational performance.[[11]](#footnote-12)

**Programme 2: Intergovernmental Coordination**

**DPWI 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.**

Performance targets for this year are:

* Coordinate the updating of the Immovable Asset Registers, the construction and management of State infrastructure, the implementation of the Government Immovable Asset Management Act (No. 19 of 2007), and performance information reporting within the Public Works Sector by holding regular meetings and engagements with Provinces over the medium term.
* Ensure coordination in the Public Works Sector through the development,implementation and monitoring of the approved Sector Plan by holding regular meetings over the medium term.
* Coordinate and manage the supply of Built Environment Skills to support State infrastructure delivery by increasing the number of Built Environment graduates in the Department’s Skills Pipeline Strategy to 3 500 over the medium term.
* CompletethereviewoftwoSectorPerformanceReports.[[12]](#footnote-13)
* Ensure the participation of 1 100 beneficiaries in the Department Skills Pipeline InterventionProgrammes; aimed at restoring the skills pipeline in the built environment.
* Programme 2 was one of the main programmes of the Department prior to some of its sub- programmes and functions being shifted to Programme 4 (see below). It proportionally represents 0.7 per cent of the overall departmental budget allocation for 2022/23.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **Nominal Increase / Decreasein****2022/23** | **Real Increase / Decreasein****2022/23** | **Nominal Percent changein****2022/23** | **RealPercent change in 2022/23** |
| **Rmillion** | **2021/22** | **2022/23** |
| Monitoring,EvaluationandReporting | 6,3 | 6,2 | -0,1 | -0,4 | -1,59 | -5,83 |
| IntergovernmentalRelationsandCoordination | 23,5 | 25,6 | 2,1 | 1,0 | 8,94 | 4,25 |
| ProfessionalServices | 28,7 | 32,0 | 3,3 | 1,9 | 11,50 | 6,70 |
| **TOTAL** | **58,5** | **63,8** | **5,3** | **2,6** | **9,1** | **4,36** |

The2022/23allocationofR63.8million isanincreaseof R5.3million. Thisrepresents a nominal increase of 9.1 per cent (and 4.4 per cent in real terms) from the R58.5 million allocated in the 2021/22 financial year.

Expenditure for Programme 2 for the 2022/23 financial year currently consists of thefollowing three sub-programmes:

* *Monitoring, Evaluation and Reporting* receives an allocation of R6.2 million. This is a decline of R100 000 from the R6.3 million received in 2021/22, which constitutes a nominal decrease of 1.6 per cent (and 5.8 per cent in real terms) from the previous year.
* *Intergovernmental Relations and Coordination* receives an allocation of R25.6 million. This is an increase of the R2.1 million from the R23.5 million received in 2021/22, which constitutes a nominal increase of 8.9 per cent (and 4.3 per cent in real terms) from the previous year.
* *Professional Services* is allocated R32.0 million. This is an increase of R3.3 millionfrom the R28.7 million received in 2021/22, which constitutes a nominal increase of 11.5 per cent (and 6.7 per cent in real terms) from the previous year.

In terms of economic classification, R57.1 million is allocated to Current payments. This constitutes an increase of R6.6 million or 13.1 per cent in nominal terms (8.2 per cent in real terms) from the R50.5 million of the previous year. Of this amount:

* CompensationofemployeesconsistsofR42.1million(anincreaseofR1.9million).
* GoodsandServicesisallocatedR15.0million(anincreaseofR4.7millionfrom R10.3 million in 2021/22).

In terms of assisting to build a capable State and placing the economy on the path to recovery, Programme 2’s Professional Services Branch (PSB) contributes to the development of competent, skilled and motivated Built Environment professionals through supported learning interventions and focused experiential learning processes.

### **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 stated performance targets for 2022/23 are to:

* Ensure that 69 Public Bodies are provided with programme coordination support on the EPWP.
* Support Public Bodies in implementing Public Employment Programmes within the EPWP in the Infrastructure; Social; Environment and Culture Sectors by ensuring that 290 public bodies are provided with technical support.

Produce four Progress Reports that reflect the work opportunities reported by Public Bodies on the EPWP Reporting System.

Programme 3 receives R3.07billionwhichproportionallyrepresents 35.9 percent ofthe overall departmentalbudget. Expenditure underProgramme3increases at a nominal rate of 5.3 per cent (which translates into a real increase of 0.73 per cent).

The allocations for the Expanded Public Works Programme(EPWP) are mainly for the *Integrated Grant for Provinces and Municipalities*; and the *Performance Based Incentive Allocations*.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **Nominal Increase / Decreasein****2022/23** | **Real Increase / Decreasein****2022/23** | **Nominal Percent changein****2022/23** | **RealPercent change in 2022/23** |
| **R million** | **2021/22** | **2022/23** |
| 1.EPWP:MonitoringandEvaluation | 46,9 | 60,4 | 13,5 | 10,9 | 28,78 | 23,24 |
| 2.EPWP:Infrastructure | 1272,5 | 1318,4 | 45,9 | -10,9 | 3,61 | -0,85 |
| 3.EPWP:Operations | 1518,0 | 1604,9 | 86,9 | 17,8 | 5,72 | 1,17 |
| 4.EPWP:PartnershipSupport | 75,1 | 82,8 | 7,7 | 4,1 | 10,25 | 5,51 |
| 5.EPWP:PublicEmploymentCoordinatingCommission | 8,7 | 8,2 | -0,5 | -0,9 | -5,75 | -9,81 |
| **TOTAL** | **2921,1** | **3074,7** | **153,6** | **21,2** | **5,3** | **0,73** |

TheallocationsarereportedunderthefollowingfiveEPWPsub-programmes:

* EPWP:MonitoringandEvaluationreceiveR60.4million.Inrealtermsthissub- programme allocation increases by 23.2 per cent from the previous year.
* EPWP:InfrastructurereceivesR1.32billion.Inrealterms,thissub-programme allocation decreases by 0.85 per cent from the previous year.
* EPWP: Operations receives R1.61 billion. In real terms, this sub-programme allocation increases by 1.2 per cent from the previous year.
* EPWP:PartnershipSupportreceivesR82.8million.Thissub-programmeallocation

increasesby10.3percentinnominaltermsand5.5percentinrealtermsfromthe previous financial year.

* EPWP:PublicEmploymentCoordinatingCommitteereceivesR8.2million.Inrealterms,

thissub-programmeallocationincreasesby0.73percentfromthepreviousyear.

Intermsof economicclassification,Programme3’sbudgetincludes CurrentPaymentstothe value of R388.5 million, of which R183.4 million is allocated to Compensation of Employees. Compensation of Employees decreases with R2.8 from the R186.2 million of the previous year.

Expenditure on*Goods and Services* amounts toR205.2 million, an increase of R87.7 million (which translates into a real increase of 67.1 per cent from R117.5 million of the previous year).

The bulk of the expenditure under Programme 3 constitute Transfers and Subsidies amounting to R2.69 billion, (from the R2.16 billion in 2021/22) representing a nominal increase of R68.8 million or 2.6 per cent and (a decline of 1.8 per cent in real terms). Of this amount, R1.64 billion is assigned to Provinces and Municipalities and is allocated as follows:

* R1.05billionisallocatedtoNon-profitinstitutions.
* R778.4milliontowardsthe*IntegratedGrantforMunicipalities*.
* R433.1milliontowardsthe*IntegratedGrantforProvinces*.
* R424.8milliontowardsthe*SocialSectorIncentiveGrantforProvinces*.

### **Programme 4: Property and Construction Industry Policy and Research**[[13]](#footnote-14)

**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.**

* PublicWorksBillGazetted.

The following performance targets are stated for this programme:

* Amendment of the Construction Industry Development Board (cidb) Act (No. 38 of 2000) submitted to the Minister.
* InfrastructureDevelopmentActRegulationsgazetted.
* Amendments to align the InfrastructureDevelopmentAct of 2014 to the functions of the Infrastructure South Africa rather than to that of the coordination tasks of thePresidential Infrastructure Coordinating Commission(PICC).

Programme 4 consists of nine sub-programmes, including the *Property Management Trading Entity* (PMTE), which receives the bulk of the allocation, with R4.45 billion for 2022/23 from the R4.35 billion of the previous year.

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

A large portion of the budget for 2022/23 is allocated to Transfers and Subsidies, which amount to R4.74 billion and accounts for 98.5 per cent of the programme budget. This constitutes an increase of R16.4 million (but a decrease of 3.9 per cent in real terms) from the total allocation of R4.73 billion in 2021/22.

* DepartmentalAgenciesandAccounts(non-businessentities)receivesR4.62billion, which is an increase R107.7 million from the R4.52 billion received in 2021/22.

Thesesub-programmesreceivedthefollowingallocationsfor2022/23:

* + *Construction Policy Development Programme* is allocated R45.6 million, a real increase of 1.5 per cent in real terms from the previous year.
	+ *Property Policy Development Programme* is allocated R12.2 million, (a nominal increase of R400 000from the R11.8million) anda real decreaseof 1.1per cent.
	+ *Construction Industry Development Board* (cidb) is allocated R80.0 million (a nominalincreaseofR1.8millionfromR78.2million), adecreaseof 2.1percent in real terms from the previous year.
	+ *Council for the Built Environment* (CBE) receive an allocation of R54.5 million (an increase of R1.0 million from R53.5 million), and a 2.5 per cent decrease in real terms.
	+ *Construction, Education and Training Authority* (CETA) receive an allocation of R600000, (an increaseof R0from the R600000 in 2021/22), which constitutes a decrease of 4.3 per cent in real terms.
	+ ThePMTE(asnotedabove)receivesanallocationofR4.45billion,a decreaseof

2.0percent inrealterms.

The sub-programmethat providescoordinating support to the Presidential Infrastructure Coordinating Commission in line with the Infrastructure Development Act (No. 23 of 2014):

* + *Infrastructure Development Coordination* receives an allocation of R140.2million, (an increaseofR17.2million, fromtheR123.0million for 2021/22), anincrease of56.3percentinrealterms.

Thedepartmentalsomadethe following transfers:

* *Foreign Governments and International Organisations*, to the value of R29.4 million, an increase of R1.1 million (0.6 per cent decline in real terms) from the R28.3 million adjusted allocation in 2021/22. This ismainly to address the fluctuations in the exchange rate when transferring the funds. The unpredictable weakening of the Rand against the major foreign currencies may result in the Department requiring an increase in its allocation from National Treasury.
* *Agrément South Africa* is allocated R34.0 million, (an increase of R900 000) from the R33.1 million allocation of 2021/22.
* *Independent Development Trust (IDT),* receives no allocation for 2022/23, fromthe R93.0million adjusted allocation of 2021/22.The IDTis aSchedule 2entity, it should be self-sustaining and not receive an allocation from the Department, as is the case for Schedule 3 entities.
* Past allocations from the Department should be viewed as assisting in the continued operational functioning of the entity, in the context of the IDT having developed into a responsive development agency with a well-established presence across the country. The IDT’stotalrevenuefor 2022/23 is R219.7million, an increase of R41.2 million from the R178.5 million total revised revenue of 2021/22.
* Other Transfers is made to the *Industrial Development Corporation (IDC)*,which coordinates sectoral planning for, and the implementation of development and investment in public infrastructure. The IDC receives an allocation of R90.4 million for 2022/23. This is an increase of R2.4 million (and a decline of 1.7 per cent in real terms) from the R88.0 million adjusted allocation in 2021/22.
* In terms of economic classification, Current Payments totals R72.5 million, which is an increase of R18.3 million (or 28.0 per cent in real terms) from the R54.2 million adjusted allocation in 2021/22. Compensation of employees receives an allocation of R34.5 million, which is an increase of R800 000 (or a decline of 2.0 per cent in real terms) from the R33.7 million adjusted allocation in 2021/22. Goods and Services totals R38.0 million for 2022/23. This constitutes an increase of R17.5 million (or 77.4 per cent in real terms) from the R20.5 million adjusted allocation of the previous year.

**Programme 5: Prestige Policy**[[14]](#footnote-15)

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

The following performance targets are stated for 2022/23:

* Support19plannedStateeventswithmovablestructures.
* ProvidemovableassetstoPrestigeClientswithin60workingdays.
* SupportfiveplannedStateeventswithmovable structures.
* 100 per cent of movable assets provided within 120 working days approval by Prestige Clients.
* 80percentprovisionofmovableassetsfromaConditionAssessmentRegisterof

MovableAssets.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **Nominal Increase / Decreasein****2022/23** | **Real Increase / Decreasein****2022/23** | **Nominal Percent changein****2022/23** | **RealPercent change in 2022/23** |
| **Rmillion** | **2021/22** | **2022/23** |
| PrestigeAccommodationandStateFunctions | 77,7 | 68,7 | -9,0 | -12,0 | -11,58 | -15,39 |
| ParliamentaryVillagesManagementBoard | 11,4 | 11,7 | 0,3 | -0,2 | 2,63 | -1,79 |
| **TOTAL** | **89,1** | **80,4** | **-8,7** | **-12,2** | **-9,8** | **-13,65** |

ThebudgetforProgramme5equalsR80.4millionin2022/23andproportionallyrepresents 10.6 per cent, of the overall departmental budget. The allocation declines by R8.7 million from the R89.1 million in the previous year and represents a nominal decrease of 9.8 per cent and 13.7 per cent in real terms.

A large portion of the budget is allocated to Current Payments, which amount to R60.4 million. A total of R31.0 million is allocated towards Compensation of Employees. The Transfers and Subsidies budget of R11.9 million includes an allocation of R11.7 million to Departmental Agencies and Accounts (i.e. Parliamentary Villages Management Board);R200000 to Households and R8.1 million to Payment for Capital Assets (i.e. Machinery and Equipment).

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

The PMTE was operationalised in the 2015/16 financial year, when the department transferred property management functions, (including those related to immovable assets, liabilities and staff), to the PMTE to align the expenses and revenue to the underlying assets.”[[15]](#footnote-16)

The DPWI 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 previously, 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 of leasing, collecting the accommodation-related, and maintenance costs from clients requires legislation that enforces client departments to pay user-charges, project management, professional property management, and construction costs to the PMTE. This legislation unfortunately remains outstanding. This requires **Programme 4Property and Construction Industry Policy and Research** to complete the review of the White Papers 1997 and 1999 as the precursor to the draft Public Works Bill and amendments to some of the entities 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 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 faces challenges 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.

The Government Immovable Asset Act (GIAMA) amongst others, stipulates that for each government building, User, and Custodian Immovable Asset Maintenance Plans (UIAMPs and CIAMPS) had to be developedas 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 struggled to attract and retain qualified and experienced property specialists. The department 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 fill and retain such personnel in positions in the PMTE. Failure to do this means that the DPWI and PMTE continue to operate at a disadvantage.

TheReal 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. Five 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.

**4.3. The PMTE Budget**[[16]](#footnote-17)**:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **NominalRandchange** | **RealRandchange** | **Nominal%change** | **Real%change** |
| **Rmillion** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2021/22-2022/23** | **2021/22-2022/23** |
| 1.Administration | 777,2 | 976,8 | 934,6 | 778,0 | 199,6 | 157,5 | 25,68 | 20,27 |
| 2.RealEstateInvestmentServices | 220,3 | 229,2 | 230,5 | 236,6 | 8,9 | -1,0 | 4,04 | -0,44 |
| 3.ConstructionManagementServices | 460,9 | 485,7 | 488,2 | 500,7 | 24,8 | 3,9 | 5,38 | 0,84 |
| 4.RealEstateManagementServices | 10 559,3 | 12 935,6 | 12 294,1 | 9036,7 | 2376,3 | 1819,3 | 22,50 | 17,23 |
| 5.RealEstateRegistryServices | 58,6 | 64,3 | 64,8 | 66,8 | 5,7 | 2,9 | 9,73 | 5,00 |
| 6.FacilitiesManagementServices | 3646,5 | 3692,8 | 3796,6 | 3424,3 | 46,3 | -112,7 | 1,27 | -3,09 |
| TOTAL | 15 722,8 | 18 384,4 | 17 808,8 | 14 043,1 | 2661,6 | 1869,9 | 16,93 | 11,89 |

The PMTE receives anallocation of R18.38 billion forthe 2022/23 financial year, which is an increase of R2.66 billion. This constitutes a nominal increase of 16.9 per cent (or 11.9 per cent in real terms) from the revised appropriation of R15.72 billion for 2021/22. Table 1below shows the budget allocation per programme.

Intermsof economicclassification, thePMTEbudget includesrevenuewith atotalmonetary value of R23.51 billion, an increase of R2.71 billion from the R20.80 billion adjusted allocation in 2021/22.

The revenue of R23.51 billion falls under two categories, i.e. Non-tax revenue and Transfers received:

* R19.06billionin*Non-taxrevenue*ofwhichR18.95billioncomprisesof theSaleof Goods and Services other than capital assets of which:
	+ R13.08billion–Salebymarket establishment.
	+ R5.88billion–OtherSales
	+ R103.5million–Othernon-taxrevenue.
* R4.45billionin*Transfersreceived*.

The PMTE generates revenue mainly through charging rental fees to User Departments for accommodation.

*CurrentPayments*equalsR16.61 billionfor2022/23,whichisanincrease ofR2.53 billionor

13.0percentinrealtermsfromtheR14.08billionfortheadjustedperiodof2021/22.It comprisesof*CompensationofEmployees*,whichincreasesbyR122.3million(fromR2.04billion in the 2021/22 adjusted period) to R2.16 billion in 2022/23. As well as, *Goods and Services*, which increases by R2.41 billion or 14.8 per cent in real terms (from R12.04 billion in the 2021/22 adjusted period) to R14.45 billion in 2022/23.

*Transfers and Subsidies* for 2022/23 equals R1.77 billion, which is an increase of R131.5 million, from the R1.64 billion adjusted amount of 2021/22.

**Programme1:Administration**providesstrategicmanagement,governanceand administrative support to the PMTE.

Programme1reportsthefollowingtargetfor2022/23:

* Spend100percentoftheallocatedbudget.

The total allocation for Programme 1 equals R976.8 million for the 2022/23 financial year, which is an increase of R199.6 million. This constitutes a nominal increase of 25.7 per cent (or 20.3 per cent in real terms) from the revised appropriation of R777.2 million in 2021/22.

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

Thefollowingtargetsarereportedforthe2022/23financialyear:

* ApproveoneCustodianAssetManagementPlan(CAMP)submittedtoNational Treasury.
* Align1GovernmentPrecinctDevelopmentPlantotheNationalSpatialDevelopment

Framework (NSDF), Integrated Urban Development Framework (IUDF) and Smart City Principles.

The total budgetary allocation for Programme 2 is R229.2 million for the 2022/23 financial year, which is an increase ofR8.9 million. This constitutes a nominal increaseof 4.0 per cent (and adecreaseof0.44percent inrealterms)fromtherevisedappropriationof R220.3millionfor the 2021/22.

**Programme 3: Construction Project Management** seeks to provide effective and efficient delivery of accommodation needs for the Department of Public Works and Infrastructure and User Departments through construction.

Thefollowingtargetsarereportedforthe2022/23financialyear:

* + Complete85designsolutionsforidentifiedUserDepartments.
	+ Complete75projectswithintheagreedconstructionperiod.
	+ Complete125infrastructureprojectswithintheapprovedbudget.
	+ Handover90infrastructuresitesforconstruction.
	+ Complete125infrastructureprojects.

Thebudgetary allocation for Programme 3is R485.9 million for the 2022/23 financial year,which isanincreaseof R24.8million.Thisconstitutesanominalincrease of5.4percent(or 0.84percentinrealterms)fromtherevisedappropriationofR460.9millionin2021/22.

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

Thefollowingtargetsarereportedforthe2022/23financialyear:

* ReduceprivateleaseswithintheSecurityClusterby3.
* RealiseR100millionsavingonidentifiedprivateleases.
* Increaserevenuegenerationby8percentthroughthelettingofState-ownedproperties.
* Letout100un-utilisedvacantState-ownedproperties.
* Letout10un-utilisedvacantState-ownedpropertiesforGBVpurposes.
* Award35percentofnewleasestoBlack-ownedcompanies(e.g.empowering designated groups of women, youth and people with disabilities).
* Letout50percentofleasestocompanieswithBBBEEof4andabove.
* Sign100percentofnewprivateleasescontractswithmaintenanceplan.
* Release161913hectaresfromtheDepartmentofPublicWorksandInfrastructure portfolio for development of infrastructure programmes and socio-economic objectives.

ThetotalallocationforProgramme4equalsR12.94billionforthe2022/23financialyear, whichisan increaseofR2.38billion. This constitutesanominalincreaseof22.5per cent(or17.2percentinrealterms)fromtherevisedappropriationofR10.56billionin2021/22.

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

Thefollowingtargetsarelisted for 2022/23:

* AssessnineNationalandProvincialImmovableAssetRegistersforcompliance.
* Physically verify to validate the existence and assess the condition of 23 860 immovable assets.

ThetotalallocationforProgramme5equalsR64.3millionforthe2022/23financialyear, whichisanincreaseofR5.7million.Thisconstitutesanominalincreaseof9.7percent(or5.0percentinrealterms)fromtheadjustedappropriationofR58.6millionin2021/22.

**Programme 6: Facilities Management Services** 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.

Thefollowingtargetsarereportedforthisfinancialyear:

* 220Conditionassessmentsconductedonidentified/prioritisedproperties.
* Assess critical components to determine the condition of 440 components (lifts, boilers, HVAC20 and Gensets and Water systems).
* 180preventativemaintenancecontractsinplacetoreducereactivemaintenance.

The budget allocated to Programme 6 is R3.69 billion for the 2022/23 financial year, which is an increase of R46.3 million. This is an increase of 1.3 per cent in nominal terms (but a decrease of 3.1 per cent in real terms) from the revised appropriation of R3.65 billion in 2021/22.

**6. The Performance targets, budgetary allocations and programmes of the Public Works and Infrastructure Entities**:

**6.1. The Construction Industry Development Board (cidb)**

The entity is mandated to:

* **Providestrategicleadership**toconstructionindustrystakeholders developingeffectivepartnershipsfor growth, reformandimprovementof theconstruction sector.
* **Promotethesustainablegrowth**of the constructionindustryandthe**participationoftheemergingsector**intheindustry.
* Determine, establish and promote **improved performance and best practice** of publicand private sector clients, contractors and other participants in the constructiondeliveryprocess.
* Promotetheuniformapplicationofpolicythroughoutall spheresof governmentandpromote uniform and ethical standards, construction procurement reform, and**improvedprocurement anddeliverymanagement**–includingacodeof conduct.
* Develop**systematicmethods**for**monitoring**and**regulating**theperformanceof the industry anditsstakeholders,includingthe**registrationofprojects andcontractors.**

The cidb states that its APP for 2022/23 is anchored to the following key pillars linked to action plans to assist government achieving NDP outcomes:

1. **Transformation** of the construction industry by increasing ownership and participation of black- and woman-owned contractors and participation of youth in the sector.
2. **Development**by providing mechanisms and support for especially emergingconstructionenterprises to be competitive and sustainable, andto deliver value for money.
3. **Ethics**to regulatetheindustryinthepublicinterest toensureafair,inclusive,ethical,transformed, enabling and reputable construction environment.
4. **Client performance** to capacitate client departments to increase infrastructure budget to stimulate economicgrowth.
5. **High-performance organisation**to transform the cidb into an effective, efficient and appropriately structured, well-governed and sustainable institution.

As part of the government-wide effort to recover, the cidb is aggressively promoting constructionsector recovery through the B.U.I.L.D Programme[[17]](#footnote-18). The first phase includes the Standard for Enterprise Development and the Standard for Developing Skills through Infrastructure Contracts. The sustainability of firms inexperienceforlearnersandgraduates.

TheB.U.I.L.DProgrammemakesitmandatorytoapply cidb standards for projects above the prescribed threshold values. B.U.I.L.D applies across national, provincial and local government; all blended-financed (public-privatesector managed and funded) SIPS projects, including state-owned entities.Thecidbhasconductedextensive capacitationontheimplementationoftheprogramme and promise to,in2022/23,robustly enforce compliance.

As an entity that plays a key regulatory function in the policy arsenal of the Minister, the cidb is aligned to the 2022/23 policy priorities of the DPWI as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No** | **NDPPriorities** | **NDPImplementation Plan Outcomes** | **DPWIOutcomes** | **cidbOutcomes** |
| **1** | Priority 1: Economic transformationandjob creation | Increasedownership and participation byhistoricallydisadvantaged individuals | Transformedbuilt environment | * Increasedparticipationof designated groups, includingblack-,woman- andyouth-owned contractors.
* Performance-drivenclients.
 |
| **2** | Priority2:Education,skillsand health | Improved education, training andinnovation.Improved employability of youth through skills training. | Transformedbuilt environment | Developedcontractors |
| **3** | Priority 6: A capable, ethicalanddevelopmental state | Ethical,efficientoperations andeffectiveaccountability mechanisms | Aresilient,ethicaland capableDPWI | * Ethicalandperformance- drivencidb.
* Reducednon- complianceandfraud.
 |

**Targets to ensure mandated Indicators to reach outcomes:**

* The transformation targets to increase youth ownership and participation - 35% over five years against a 29% baseline target.
* The target to increase black ownership grades 7 to 9 on the contractor register is stated as 75% over five years against a 67% baseline.
* The target for women owned registered contractors in grades 2 to 9 is stated as 40% over five years against a 30% baseline.
* The target to increase the percentage access to work for women-owned contractors is stated as 35% against the baseline of 24%.
* Monitoring the number of upgrades of women-owned contractors is stated to move to 50% from the baseline of 40% over the next five years.
* Monitoring black owned contractors is stated as moving to 60% from the baseline of 50% over the next five years.
* Under developing performance driven clients, to drive increased spending on infrastructure budgets, it set a five-year target of 90 from a baseline of 82%.
* Under the objective to drive reduce non-compliance and corruption in the construction sector - it states an indicator of average number of non-compliance cases reported per year, to move from the baseline of 72 to 36 over five years.
* For the stated target to drive towards good governance, it wants to achieve a clean audit for the year 2021/22.

The key issue for the committee is that the cidb should have interventions in place to achieve these stated targets.

With regard to the targets toenabletransformationwithintheindustry the committee notes that it would apply the budget to the following interventions:

|  |  |
| --- | --- |
| **Interventions** | **Progress** |
| Ensuringthecidbregistrationcriteriaspeakstotransformingtheindustry | Thereviewoftheregistrationcriteriaisinprogress. |
| Businessadvisoryservicestosmallandmediumcontractors | 89.3%wasrecordedforprovincialbusinessadvisoryservicesprovided to contractors at grades 2 to 6 index against a target of75%. The development needs analysis has been conducted. Thedraftingoftheframeworkisunderway. |
| Capacitation of clients to drivetransformation in infrastructureprocurement,includingawarenessofprocurementreforms | Target on track and revised due to the Covid-19 pandemic,CapacitationsessionswerescheduledandhadtobecancelledduetotheCOVID-19Pandemic.Onlinecapacitationunderway. |
| Review and revision of the NationalContractorDevelopmentProgrammeframeworktoenabletransformation | Improvementinthegaps ofthecurrent NCDPframeworkhasbeenidentified. |

To achieve the stated targets to drive transformation, infrastructure development, and clean governance the following new interventions are also notable:

* Developasystemtoexpand andaligntheRegisterofContractors (RoC)to the Registerof Projects (RoP):
	+ Herecontractors’trackrecordwouldautomaticallybe updatedthroughtheprojectsregisteredby ClientDepartments.
* cidb systems upgrade for integration with Central SupplierDatabase.
* Implementation of industry best practices (B.U.I.L.D.Programme[[18]](#footnote-19)).

To monitor the drive towards increased municipal expenditure of infrastructure budgets the following comparative information was provided:

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator** | **2017/18** | **2018/19** | **2019/20** |
| Budgetedcapital expenditure(Rm) | 71381 | 73563 | 68808 |
| Actualcapitalexpenditure (Rm) | 58756 | 54887 | 41254 |
| Actualcapitalexpenditureasa%ofbudgetedcapitalexpenditure | 82% | 75% | 60% |
| Number of metros, municipalities, and district | 257 | 257 | 257 |

The intervention to ensure increased infrastructure expenditure in municipalities are as follows:

|  |  |
| --- | --- |
| **Interventions** | **Progress** |
| Consult with all organs of state to identify construction-related budgets and the application thereof. Assessing theimpactofpublicexpenditureontheconstructionindustryandadvisingtheMinisteraccordingly. | CIDBtoconductthestudyin-house.DraftingtheProjectPlan. |
| Strengtheningtheexistingpublicsectorcapacitybuildinginitiativesandindustryresearch. | Capacitation building is ongoing, e.g. IDMSclient support. Causes of cancellation oftendersresearchunderway.Expandingtheresearch on the impact of Covid-19 on theindustry. |
| RollingouttheProjectAssessmentScheme-harnessingthebest-practicestandards(CIDBB.U.I.L.D.Programme). | MinistergazettedRegulationsin September2020. |
| Implementing the cidb Competence Framework forProcurementandtheunderpinningtoolstoassessSCM officials. | Plannedfor2021/22year. |
| AmendingCIDBActtoapplytheRegisterofContractorstotheprivatesector(todrivetransformationanddevelopment).DevelopaClientRecognitionScheme. | DPWIreviewofCIDBActunderway. |

The intervention to regulate to compliance is as follows:

|  |  |
| --- | --- |
| **Interventions** | **Progress** |
| RollingoutoftheOrganisationalDesign(OD)Process to capacitate theorganisation | ODprocessconcluded.Criticalpositionsbeingfilledwithinbudget provisions. |
| Promoting the use of SANS[[19]](#footnote-20) 1734Specification for an Anti-BriberyManagement System (ABMS) for largecontractingenterprises | ABMS1734wasgazettedasaBestPractice.Cidb is consulting on theapplication of the ABMS against thecontractorregistration criteria. |
| CreatingawarenessofthecidbCodeofConduct | AwarenessandongoingclientcapacitationonIDMS,SFUandCodeofConducttakingplace. |

**6.1.3. The budgetary allocations to perform its mandate per programme for 2021/22 is as follows:**

The budget consists of the allocation from the transfers from DPWI programme 4, registration fees from contractors, and investments.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | **Nominal****Increase/ Decrease** | **Real****Increase/ Decrease** | **Nominal****Percent change** | **Real %****change** |
| **RThousands** | **2021/22** | **2022/23** |
| Administration | 102337,0 | 106829,0 | 4 | 492,0 | - | 108,3 | 4,39 | -0,11 |
| Research Development |  | 5350,0 | 5585,0 | 235,0 | - | 5,5 | 4,39 | -0,10 |
| ConstructionIndustryRegulation | 27613,0 | 28721,0 | 1 | 108,0 | - | 128,8 | 4,01 | -0,47 |
| Construction Industry Performance | 9385,0 | 9797,0 | 412,0 | - | 9,9 | 4,39 | -0,11 |
| ProcurementDevelopment | and | 9534,0 | 9953,0 | 419,0 | - | 9,6 | 4,39 | -0,10 |
| ProvincialOffices | 33156,0 | 34715,0 | 1 | 559,0 | 64,1 | 4,70 | 0,19 |

**6.1.3. Programmatic Action to be performed using the budget:**

**Programme 1:** Administration plays a crucial role in the delivery of cidb services through support services such as human resources, information and communication technology, risk management, communicationand finance. Key deliverables are sound corporate governance and an ethical environment to achieve a clean audit. Operational risks that may affect programme performance are failure to pay financial obligationsand creditors, loss of projected revenue, financial systemfailures.relianceonfewkeypersonnel,change management and delays in implementing software development.

**Programme2:**ResearchandDevelopmentleads research activities based on information and data gathered from the construction industry. Key deliverablesareinsightstoguidethedevelopment anddesignofthecidb’sinterventionsalignedtoits mandateandthecontextoftheconstructionindustry. Operationalrisksarerelianceonserviceproviders, failure to achieve performance targets and staff challenges.

**Programme 3:** Construction Industry Regulation maintainstheRoC,ContractorRecognitionScheme,RoP and the B.U.I.L.D Programme and monitors and enforces compliance with cidb prescripts. Key deliverablesare enforcing compliance with cidb’s prescripts and providing the RoC to facilitate procurement of targeted enterprises, which allows client departments, including DPWI, to provide expanded work opportunities to black- owned and -managed contractors. Operational risksare system challenges and power outages that lengthen contractor’s registration turnaround times and create work backlog.

**Programme 4:** Construction Industry Performance determines and establishes best practice that promotes improved industry stability, performance, efficiencyandeffectiveness.Keydeliverablesaremonitoringand evaluating industry performance to ensure that thecidb is achieving transformation and development.

Operational risks are lack of required data from internalandexternalsources,shortageofstaff,poor responsefrominfrastructureclientsanddelaysinthe appointment of service providers.

**Programme 5:** Procurement and Development initiates, promotes and implements national programmes and projects to standardise procurement documentation, practicesandprocedures;developsandimplements policies, programmes and projects that support emerging enterprises, and facilitates skills development. Key deliverables are development support to contractors and clients for transformation and inclusive growth.

Operational risks are human and financial constraints duetoCovid-19ontheexecutionofthedevelopment strategyanddelaysinSCMprocessesinthe appointment of service providers.

**Programme 6:** Provincial Offices provides development servicestobeformalisedwiththebusinessadvisory frameworkbeingdevelopedbyProgramme5.Support includes legislated requirements, financial management, administration and other requirements. Operational risks are business closure and interruptions duetoCovid-19,poweroutagesatsomeoffices,poor conditionsofofficebuildingsandlimitedcapacityto deliver the services.

**6.1.4. Matters that emerged from deliberations:**[[20]](#footnote-21)

* Low spending on large infrastructure projects at national, provincial and local government levels. The cidb is collaborating with National Treasury on infrastructure delivery to identify construction-related budgets and their application at the three levels of government.
* The entity is offering business advisory services at cidb provincial offices to 285 contractors on cidb prescripts, the IDMS and the Framework for Infrastructure Delivery and Procurement Management (FIDPM). Thisis a noteworthy aspect of its contribution to the ERRPas part of ensuringcompliance to the PFMA ininfrastructureprocurement andassisting the Department of Cooperative Governance and Traditional Affairs to get the District Development Model (DDM) off the ground.
* A focus on capacitating municipalities on Infrastructure Delivery Management System (IDMS) to ensure efficient and MFMA compliant procurement processes.
* The entity revised the National Contractor Development Programme (NCDP) Framework that now covers grades 1 to 6. Training and assessment of contractors against the cidb Competence Standard for Contractors is applicable on Contractor Development Programmes.
* The challenge to get projects registered as only 48% of projects are registered; the cidb engaged the Office of the Chief Procurement Officer at National Treasury to share all construction works tenders published on the e-tender - the Minister committed to assist by relating the challenge to counterparts in Cabinet so that this rate of registration is improved – a quarterly report to be made to the committee.
* Client departments failure to roll-out large scale infrastructure has negatively impacted on the construction sector and the economy and led to the liquidation and registration ofcompanies – this has a knock-on effect on sub-contracting and the transformation targets for women and youth owned construction enterprises on the RoC.
* Government has not provided enough help in transforming the construction industry particularly in Grade 9 contractors affected by the 90/10 Preferential Procurement Act principle.
* Government does not pay contractors on time and this has dire consequences for already struggling emerging construction companies.
* The B.U.I.L.D. Programme deals with client capacitation across all provinces to drive enterprise and skills development. The target groups as part of the B.U.I.L.D Programme to include youth and people with disabilities for skills development, Competence Recognition, Business Advisory, Mentorship, Entrepreneurial Training, Contractor Development Programme and Construction Management Systems.
* The committee notes the delay with the cidb Amendment Act due to the socio-economic impact assessment being incomplete.

**6.2.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 CBEoversees 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 shows an alignment with the broad policy objectives of the NDP, ERRP, and the SONA.

It 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 quarterlydisclosure.”

**6.2.1. CBE Budget for 2022/23:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Programme** |  **Medium-Term Estimates**  | **Averagegrowth rate (%)** | **Expenditure/total:Average (%)** |
| R thousand | **2022/23** | **2023/24** | **2024/25** |  **2021/22-2024/25** |
| **Programme 1: Administration** | 49 608 | 50 620 | 52 791 | 1.3% | 86.5% |
| **Programme 2: Empowerment and Economic Development** (Previously Transformation) | 2 101 | 1 495 | 1 600 | -7.4% | 3.1% |
| **Programme 3: Professional Skills and Capacity Development** (Previously Skills Capacity) | 3 823 | 3 743 | 4 007 | 14.0% | 6.0% |
| **Programme 4 : Research and Knowledge Management** (Previously Research and Advisory)  | 641 | 670 | 665 | 2.6% | 1.1% |
| **Programme 5 : Public Protection, Policy and Legislation** (Previously Regulation and Public Protection) | 2 222 | 2 203 | 2 250 | 24.3% | 3.3% |
| **Total Expense**  | **58 395** | **58 731** | **61 313** | **2.3%** | **100.0%** |

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.

**6.2.2. Matters that emerged from deliberations:**

* The committee noted that the Candidate Pipeline Programme resulted in a database of Built Environment Professional Practitioners. The challenge is that it shows that10,089 of these are unemployed graduates.
* The challenge is exacerbated by the data base being available on social media sites for promotion without it being properly linked in legally and regulatory compliant ways to Strategic Infrastructure Projects (SIPS) of the ERRP so that benefit is derived for graduates and municipalities where these scarce skills are required.
* The CBE proposes the reintroduction the roster system of built environment professional service providers across the three levels of government and state entities and aims to engage National Treasury on the matter during 2022/23 with a view of legal/regulatory provisions being put in place.
* The CBE needs to be careful to not enter the mandated terrain of the cidb in its efforts to advocate transformation through its candidacy programme.

**6.3. The Independent Development Trust (IDT):**

In the previous financial year, the Minister withdrew the formal submission of the Strategic Plan (2020-2025) and the APP of the IDT. In spite of, in the Budget Vote report of 2020/21, requesting the updated plans to transform, restructure, or dissolve the entity, the committee did not receive information from the Minister or the DPWI.

In the absence of updated information of what would happen to the entity, the important social infrastructure mandate it has to deliver, and the personnel that were employed in its organizational structure, the Portfolio Committee listed the following as background and a summary of the challenges that the entity faced involving the key task of project managing social infrastructure delivery across the provinces and regions of the country.

**6.3.1. 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 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*.”[[21]](#footnote-22) 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 (2018/19 to the present) 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 outtransformationprocess thatincludedarevisionofitsoperatingmodel 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 years[[22]](#footnote-23), 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 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. It is therefore strategically aligned to the policy objectives stated in the NDP, ERRP, and the tasks listed in the 2022/23 SONA.

**6.3.2. Summary of Challenges:**

* 1. In spite of a long drawn-out transformation process, the IDT was not 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. The Minister as Executive Authority and policy leadership did not timeously assist to ensure that the Board was quorate to develop restructuring and organizational design processes. The on-going inconsistencies in the composition of the Board to ensure that it is quorate bedeviled attempts to put it on a path of recovery. The Executive Authority has to ensure this is returned to stability, as it has led to several staff members suffering job losses - security of employment for all staff must be urgently restored.

**6.3.3. Strategy to deal with the entity’s challenge:**

The DPWI 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)[[23]](#footnote-24). This model results in a highly professional advanced technical advisory agency that provides *programme*, *project management* and *transactionsupport* 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 DPWI as the implementer of this policy had to do oversight that is more stringent over the IDT. It stressed, however, that the policy leader and the DPWI was committed to drive the process of restructuring it.

**6.3.4. Strategic positioning:**

The organization identified the following three pillars to re-position the organization towards credibility and financial sustainability over the period of the MTEF:

###### BuildOrganisationalCapabilityFitforPurpose:

* Transformthe Entityintoan agileorganisationthatresponds to customerneeds ahead of any competitor.
* Designandstructuretheorganisationtodeliveronitsbrandpromise***(assured efficient infrastructure delivery).***
* GeartoaTransformationalLeadershipmind-set.
* Adoptapeoplesupplychainprocessthatdeliverstalentaheadofdemand.

###### Re-focusandStreamlineClientServiceOffering:

* Developaportfolioofmarketsegmentedservicesanddeliverychannelswhich delivers on customers' value proposition.
* Reconstitutecontractmanagement&incomestreamsystemandprocesses.
* Deliverqualitysocialinfrastructureontime,withinbudgetandscope.
* Developamodeltodrivecustomercentricitythroughoutthe organisation
	1. SecureFinancialSustainability:
		+ - Grow revenue streams – current and new streams(PPP opportunities -feasibilitystudies;procurementservicecost;asset register assessment; maintenance; etc.)
			- AdaptSCMprocessestoalignwith clients’servicesandcompliance requirements
			- Implementthereviewed thecontractingmodeltoensurefinancial sustainability
			- Monitorandadjustcost(ofdelivery)tosustainlongtermviability
	+ *Debtorscollection*
	+ *Costcontainment/zerobudgetbase/legalcostcontainment*
	+ *Activitybased costing*
* Develop alternative fundingmodelstoreversetheadversebalance sheet status.

**6.3.5. Informationon the IDT Budget**[[24]](#footnote-25)**:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Allocations | **Budget2022/23** | **ENE 2023/24** | **ENE 2024/25** | **ENE 2025/26** |
|  | **R'000** | **R'000** | **R'000** | **R'000** |
| Programmes | **4505 000** | **4955 907** | **5451 000** | **7187 546** |
| Expenditure: ConfirmedProgrammeContracts | 2486 000 | 1414 000 | - | - |
| RequiredAdditional Programmes-Social |  |  |  |  |
| Infrastructure | 955422 | 2431 000 | 4290 213 | 5974 640 |
| RequiredAdditionalProgrammes-EPWP NSS | 1063 578 | 1110 907 | 1160 787 | 1212 906 |
| **Staffingrequirements** | **247** | **247** | **247** | **247** |
| StaffNumbers | **247** | **247** | **247** | **247** |
| **AverageGrossManagementFeeRate** | **5%** | **5%** | **5%** | **5%** |
| **Revenue** | **267475** | **289177** | **314178** | **402829** |
| BankBalancebroughtforwardfrompreviousyear |  |  |  |  |
| Revenue:ConfirmedProgrammes | 172071 | 192250 | 214511 | 298732 |
| Revenue:EPWPNSS | 90404 | 94427 | 98667 | 103097 |
| OtherIncome | 5 000 | 2 500 | 1 000 | 1 000 |
| GrantFunding |  |  |  |  |
| **OperationalExpenditure** | **358749** | **361100** | **376564** | **395329** |
| Employment costs | **131 225** | **207 543** | **217 920** | **228 816** |
| New recruitment due to lifting of moratorium | **56 435** |  |  |  |
| Recruitment of Project Managers | **10 000** |  |  |  |
| Staff Training | **3 953** | **4 151** | **4 358** | **4 576** |
| Internship programme | **10 944** | **11 491** | **12 066** | **12 669** |
| Restructuring costs | **5 000** |  |  |  |
| **Non-Employment:** |  |  |  |  |
| Travel - Projects | **6 894** | **7 200** | **7 524** | **7 862** |
| Travel - Administration | **4 596** | **4 800** | **5 016** | **5 241** |
| Litigation fees | **13 000** | **13 579** | **14 188** | **14 825** |
| Consultants fees | **8 404** | **5 000** | **3 000** | **3 000** |
| External Audit Fees | **10 777** | **11 256** | **11 762** | **12 290** |
| IT Cost (Maintenance and support costs) | **7 818** | **8 166** | **8 533** | **8 916** |
| Communication | **3 371** | **3 521** | **3 679** | **3 844** |
| Facilities | **14 772** | **15 429** | **16 122** | **16 845** |
| Leases: Office rental including rent parking | **12 965** | **14 261** | **15 687** | **17 256** |
| Partnerships and Initiatives - Contractor Development |  |  |  |  |
| Programme | **1 500** | **1 500** | **1 500** | **1 500** |
| Other Operating expenses | **23 009** | **24 033** | **25 112** | **26 240** |
| **Centralised Cost** | **34 087** | **29 170** | **30 098** | **31 449** |
| **Telephone** | **5 000** | **5 223** | **5 457** | **5 702** |
| **Rent photocopiers** | **1 000** | **1 000** | **1 000** | **1 045** |
| **Insurance** | **1 500** | **1 567** | **1 637** | **1 711** |
| **Software Licences and Subscriptions** | **4 692** | **4 901** | **5 121** | **5 351** |
| **Network Data** | **3 786** | **3 954** | **4 132** | **4 318** |
| **Depreciation - Non Cash item** | **4 811** | **5 025** | **5 251** | **5 486** |
| **Server Virtualisation / Hosting (19 servers)** | **2 500** | **2 500** | **2 500** | **2 612** |
| **Copper to Fibre IT Project including Telephony** | **5 000** | **5 000** | **5 000** | **5 225** |
| **Security access control refurbishment** | **98** | **-** | **-** | **-** |
| **Certificate of Compliance - Electrical (Occupational** |  |  |  |  |
| **Health and Safety)** | **3 000** | **-** | **-** | **-** |
| **Repairs to Boundary walls (including electric fencing) -** |  |  |  |  |
| **Office Park** | **2 700** | **-** | **-** | **-** |
| **Net Operating Surplus / (deficit) for the year before** |  |  |  |  |
| **Capex Items** | **-91 273** | **-71 923** | **-62 386** | **7 500** |

**Notes on the IDT budgetary information:**

* The IDT struggles with funding. In this table there are recurrent reference to required grant funding. In programme 4 of the main vote there is no allocation for this financial year for any transfers to the IDT. This reference to grant funding in the table aboveand the notes provided below (based on the IDT’s APP 2022/23) is therefore to be regarded as symbolic rather than substantive.
* In the table‘required criticalmassprogrammes’ refertoprogrammeportfoliosthat is needed forthe IDT to achieve a break-even financial result for this financial year. If this work is not allocated, this will result in the organisation requiring grant funding to fund operational costs.
* The requirement for grant funding is dependenton the amount of programme work to be implemented. Ifprogramme contractsare notreceived, thiswillresultinthe deficit/shortfallrequiringgrant funding.
* ‘Required additional programme infrastructure work’are contracts that are still to be secured from client departments (business generation).There is a funding requirement of R107.1 million (2022/23), R83.9 million (2023/24), R71.9 million(2024/25) and Rnil(2025/26).
* Management feerevenue isbasedonanaverage of5%ofprogramme work carried out. The rate for EPWPNSS is 8.5% that is chargeable for implementation of the programme.
* Employee costs are based on the current payroll and new staff recruitsidentified for2022/23 FY.Employee costsareadjusted by5%inflationrateover theMTEF period. The Public ServiceAct isnot applicable tothe IDTinitscurrent legal form and as such, DPSAsalary agreements cannot be implemented in the organisation.Staff recruitment based on the OD structure and recruitment of project managers based on portfolio of work generated from client departments.
* Project relatedtravelaccountsfor60% ofthebudget and 40% relatesto administration
* Capex expenditure islimitedtotheacquisitionandreplacement ofoldcomputer equipment, which has passed its useful life.
* Head OfficeBuilding capex includes criticalitemsforremedial worktothebuilding structure as well as safety compliance on electrical installations in the building
* Progressing from copper tooptic fibrecostsinclude a fullITsolutioninmodernising the ITinfrastructure for the Entity. Telephony system includes an upgrade from the current obsolete system.Itisexpected thatthenew systemwillallowforimprovedmanagement of staff calls as well as call billing to clients
* Theproject management systemwillimproveeffectivenessand efficiencyrelatedto the core business. The organisation currently does not have a dedicated project management system
* Consultant costsincludeworktobedone asidentifiedbyeachunit’sbusiness plan that has been initiated as a result of the recent Board Strategy Session
* Theexternal audit feetakes intoaccount theAuditor General'sviewof IDTasa high-risk client, resulting in substantive testing procedures being utilised
* Partnershipandinitiativecostsarebased ontheContractor Development Programme

**Matters raised from deliberations:**

* The IDT will operate at a deficit for the 2022/23 financial year –R107 million and would need R2.1 billion of project value to break even.Collecting contract fees is crucial if the entity is to remain operational as grant funding is not available.
* The organization hopes that aproject management systemwillimproveeffectivenessand efficiencyso that it can collect management fees so that it breaks even and move towards profitability.
* The Minister as policy leader committed to assist the entity to approach the NT for grant funding to cover the deficit incurred in this financial year.
* The policy leader further announced that there has been progress with the reconfiguration process after Cabinet tasked her to prepare a comprehensive proposal for this purpose – the services of GTAC was procured and a Cabinet memorandum is being prepared for the Economic Cluster and Economic Cabinet Committee in June 2022.
* The Minister supported the suggestion to use the services of IDT to boost the struggling PMTE maintenance and refurbishment efforts of government buildings and thus generate further income for the entity.
* The Minister also committed to report to the committee on the work done by the GTAC to reconfigure the IDT and its future in two months’ time from the date of the meeting.

**6.4. Agrément South Africa**

This entity 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 on the DPWI as sector leader of infrastructure development, the long-term policy objective in the NDP[[25]](#footnote-26) 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.

The entity’s legal mandate is described in the ASAActNo.11of2015 as follows:

* Provide assurance to specifiers and users of the fitness-for-purpose of non-standardisedconstructionrelated productsorsystems.
* Support and promote the process of integrated socio-economic development in the republicas itrelatestotheconstruction industry.
* Support and promote the introduction and use of certified non-standardised constructionrelatedproductsorsystemsinthe localorinternationalmarket.
* Support policy makers to minimize the risk associated with the use of a non-standardisedconstructionrelated product orsystem;and
* Be an impartial and internationally acknowledged South African centre for the assessmentandconfirmationoffitness-for-purposeofnon-standardisedconstructionrelatedproductsorsystems.

**6.4.1. Tasks that ASA must achieve:**

In its planning documentation tabled to Parliament, the ASA notes that the NDP guides it to play an integral role as part of government, which would include:

* Systematically responding to entrenched spatial patterns across all geographical spaces at national, provincial and local government levels to address the scourge of social inequality, poverty, and employmentthat increases the country’s economicinefficiency.
* Takingaccountoftheuniqueneedsandpotentialofdifferentruralandurbanareasinthe context of emerging development corridors in the Southern African sub-region before making decisions ondevelopments.
* Reviewing State housing and human settlement 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 ofhouseholds.
* Supporting active citizenry and developing incentives through a range of interventions, which includes the establishment of social compacts;and
* Planningforhumansettlementsbeguidedbyasetofnormativeprinciplesthatwillcreate liveable, equitable, sustainable, resilient and efficient spaces, including supporting economicopportunitiesandsocialcohesion.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 itsresourcesmoreefficiently to support government’s policies to create opportunitiesforsocioeconomicimpactandbuiltenvironmenttransformation.

**6.4.2. Challenges**

As part of its annual planning process, the ASA provided a swot analysis, which shows a considerable weight on weaknesses, threats, and opportunities, rather than strengths. Furthermore, it lists a number of risks that gives an impression that it may struggle to meet its targets given the challenge of building integratedand sustainable human settlements[[26]](#footnote-27). These weaknesses include several that the committee raised with the entity in previous financial years[[27]](#footnote-28):

* NorequirementtocertifywithASA – legislation and regulation do not provide incentives or fines for using non-certifiedalternative building systems and materials; this poses serious risk to the building sector and private citizens;
* Create more business opportunities - need to identify ways to stimulate demand and to not only operate in a reactive/responsive mode;
* Lackofcommunication/commercialisationoftheinnovatedproductsandservices;
* Reputational risk linked to failed products, as well as ASA not itself being certified andaccredited;
* Pricingmodelexcludessmallsuppliersandinnovativeproducts;
* Ability to respond and be efficient and to issue certification quickly to support customer experience – operational issues;
* Howtoelevatecommunicationandrelationshipwiththe Minister and state shareholder;
* Procurementprocessdelays–operationalissues;
* Procurement process delays- operational model to support access to technical services and mobilisation of the technical services;
* DepthoftechnicalcapacitywithinASAandthemarket;
* Infrastructureisoutofdateandneedstobeupdatedwhichrequiresinvestment capital/funding; and
* The researchcapacityandcapabilityoftheorganisation.

**6.4.2. Budgetary Allocation**

|  |  |  |
| --- | --- | --- |
| **Statement of Financial Performance** | **Approved Budget** | **Medium-TermEstimate** |
| **R'thousand** | **2021/22** | **2022/23** | **2023/24** | **2024/25** |
| **Revenue** |  |  |  |  |
| **Taxrevenue** | - | - | - | - |
| **Non-taxrevenue** | **4,570** | **2,820** | **3,164** | **3,449** |
| Saleofgoodsandservicesother than capital assets of which: | 3,154 | 1,801 | 1,801 | 2,086 |
| 1.Administrativefees | 1,529 | 1,231 | 1,231 | 1,231 |
| 2.Salesbymarketestablishment | 1,625 | 570 | 570 | 855 |
| 3.Othernon-taxrevenue | 1,416 | 1,019 | 1,363 | 1,363 |
| **Transfersreceived** | **33,078** | **33,951** | **34,082** | **35,613** |
| **Totalrevenue** | **37,648** | **36,771** | **37,246** | **39,062** |
| **Expenses** |  |  |  |  |
| **CurrentExpenses** | **37,648** | **36,771** | **37,246** | **39,062** |
| 1.Compensationofemployees | 23,010 | 25,025 | 25,447 | 26,555 |
| 2.Administration | 23,010 | 12,775 | 12,673 | 13,192 |
| 3.TechnicalServices |  | 12,250 | 12,774 | 13,363 |
| 4.Goodsandservices | 14,192 | 10,833 | 11,332 | 11,875 |
| 5.Depreciation | 446 | 913 | 466 | 632 |
| 6.SolidarityFund | - | - | - | - |
| 7.COVID-19 | - | - | - | - |
| **TotalExpenses** | **37,648** | **36,771** | **37,246** | **39,062** |
| **Surplus/(Deficit)** | **-** | **-** | **-** | **-** |

Source:AgrémentSouthAfrica (2022)

ASA is funded from two main sources; an annual government grant and own revenue generated from testing and licensing alternative fit for purposes building systems and products.

Total projected revenue for 2022/23 is set at R36.8 million, of which R34.0 million will be in the form of a Grant Transfer from the Department of Public Works and Infrastructure. ASA’s projected own revenue for 2022/23 includes R2.8 million on Non-tax revenue, ofwhich R1.8 million comes from Sales on goods and services, as follows[[28]](#footnote-29):

* R1.2millioncomprisesofAdministrativefees.
* R570000consistsofSalesbymarketestablishment.
* R1.1millioncomesfromOthernon-taxrevenue.

Total revenueof R34.0 million decreases nominally by R3.7 million (or 9.8 per cent) fromthe R37.6 million of 2021/22.[[29]](#footnote-30)When calculating the impact of inflation (real terms), total revenue in fact declines with 13.7 per cent. This decline in revenue is due to the decline in thetransferfromtheNDPWI,withanominaldecreaseofR900000(or 2.3percent)fromthe previous year, which constitutes a 6.5 per cent decline in real terms.

## **ASA’s** expenditure is driven largelybycompensationofemployees,whichconstitutes

68.0 per cent of total expensesfor 2022/23. Compensation of employees for 2022/23 increases by R2.0 million (or 8.8 per cent) in nominal terms to R25.1 million from the R23.1 million of previous year, and expenditure on compensation actually increases in real terms with 4.1 per cent.

A key challenge evident over the medium term is that even though the budget allocation increases over the period, the reduced percentage of revenuecompared to compensation of employees that means ASA has to be more cost-efficient and increase its own revenues.

Non-tax revenueof R2.8 million in 2022/23 declined in nominal terms by R1.8 million, from the R4.6 million received in 2021/22. While at present, own revenue constitutes only 7.7 per cent of total revenue, and similar to the grant transfer, it shows a decline in both nominal (38.3 per cent) and real (41.0 per cent) terms.

ASA does not report any allocations towards both the Solidarity Fund and COVID-19 for the 2021/22 and 2022/23 period.[[30]](#footnote-31)

**Planned Performance:**

ASAnotedthefollowingmediumtermplannedperformance:[[31]](#footnote-32)

* In ensuring the achievement of its mandate, the entity aims to fill prioritised critical vacancies to enable achievement of strategic objectives. The entity will continue to develop its staff to keep abreast of the trends and ensure the organisation is agile to respond to the changing demands.
* While acknowledging the current competition for talent, the entity plans to ensure that it attracts and employs experienced individuals from designated groups to address the transformation challenge in the built environment. Furthermore, it aims to create its own pool of talent by developing its staff to become experts in the built environment.

**Human Resources:**

ASA requires additional staff to assist in evaluating, assessing and approving existing infrastructure. This includes the development of technologies to better direct housing and human settlement investments, fast track delivery and ensure the affordability and diversityof the products available in the market through enhanced quality and quantity of innovative construction technologies. As the evaluation and certification base, the need for additional technical evaluators/quality assurance, researchand development (R&D) and environmental specialists, together with support functions, will grow over the medium to long term.[[32]](#footnote-33)

**6.5. Matters that emerged from the committee deliberations on the planning documents of the ASA:**

6.5.1. The committee congratulated the ASA on its marketing efforts to get its certified products popularised in departments such as Human Settlement and in municipalities so that social infrastructure development projects can benefit from the work that the entity does. It urged the DPWI and PMTE to use and further popularise the certified products and systems to maintain and construct its own infrastructure projects.

6.5.2. The entity reported on its eco labelling that aims to create clean environments and asserted this as crucial to mitigate against future climate change disasters such as the periodic floods in the provinces of KwaZulu-Natal and the Eastern Cape.

6.5.3. The entity reported on efforts to reach out to emerging innovators in designated groups that should be assisted to enter the terrain.

6.5.4. The entity also reached out to engineering institutions and councils to make available experienced engineers for mentoring purposes but importantly, to ensure that such specialist bodies continue the marketing of innovative, fit-for-purpose innovative building systems and products.

6.5.5. Further, that the entity worked in partnership with the NHBRC and universities through internships to perform the function of inspection of its products. This is aimed at ensuring employment and empowerment to designated groups.

**7. Recommendations:**

Having considered the planning documents and budgetary allocations for the 2022/23 financial year, the committee recommends that the Minister of Public Works and Infrastructure:

1. Provides a comprehensive report by July 2022 on dealing decisively with the ongoing challenges with the Telkom Towers project, so that the contracts to secure the unoccupied building, and the ten rental lease contracts to accommodate SAPS can lead to savings instead of ongoing losses. The report to also provide relevant information on Salvokop Precinct.
2. Reports on the debt owed to the Port St Johns Municipality for rates and services and on-going custodial/ownership disputes; provides a detailed update on the outcomes of the working session scheduled to have taken place in March 2022 between the Municipality and DPWI/PMTE to address disputed amounts.
3. Reports to the Committee in September 2022 on its review of the APP and performance targets.
4. Reports to the committee by October 2022 on progress with the establishment of the Ethics & Compliance, InfrastructureandConsequence Management Unitto guide andenforce expected standardsof behaviour of all personnel of the DPWI head office and the PMTE in regional offices throughout the country.
5. Reports on progress with the Public Works Bill by November 2022 to ensure that the DPWI mandate is strengthened and the PMTE can enforce compliance so that it can timeously collect service fees, rental and project management fees from client departments and entities to whom it sells project management, maintenance, accommodation and property management services.
6. Reports on the amendment of the cidb and CBE Acts in November 2022 to strengthen the mandates of these entities to play a more robust role in transforming the construction and professional built environment sector so that emerging contractors and professionals of previously disadvantaged groups can participate in the sector on an equal footing.
7. Reports on a quarterly basis on progress with the employment creation data of the EPWP branch, including the implementation of ITC software to improve data collection and ensure compliance across the three levels of government as part of the effort to get a clean audit report in the 2022/23 financial year.
8. Reports on a quarterly basis on progress with the coordination of large infrastructure projects through the ISA with an understanding that the IDT should be brought into play in an increasing manner in the 2022/23 financial and the period of the MTEF.
9. Reports on the efforts to complete the roll-out of ARCHIBUS and the rest of the Enterprise Resource Plan to digitise information use across the department to keep the Immovable Asset Register complete, but so that the DPWI and PMTE can play its coordinating role of making suitable land available for the purposes of human settlement and social infrastructure delivery in municipalities across the country.
10. Ensures that the ISA reports to the committee by August 2022 on the newly designed Refurbishment Operate and Transfer (ROT) programme to be rolled out in a public-private partnership arrangement to deal with the backlogs due to government property and infrastructure not being properly maintained.
11. Reports to the committee in August 2022 on progress with the reconfiguration efforts of the IDT undertaken with the GTAC, including the efforts to attract new projects to supplement revenue or alternatively, secure grant funding to assist the entity to break even and return to profitability over the next three years.
12. Instructs the ISA and PMTE to report to the committee in its quarterly performance reports on collaborative efforts with the IDT on strengthening the maintenance and refurbishment of government buildings as part of the strategy to (a) progress from ad hoc to proactive, scheduled maintenance and refurbishment of government buildings and (b) increase revenue for the IDT during the 2022/23 financial year.
13. Instructs ASA to continue popularising its certified innovative alternative building systems and products with government departments such as Human Settlement and with municipalities so that social infrastructure development projects can benefit from the work that the entity does. Similarly, the DPWI itself to find ways of introducing these into its construction, infrastructure development and maintenance projects. A report in this regard to the committee by September 2022.
14. Instructs the ASA to report by October 2022 on its eco labelling efforts that aims to create clean environments and asserted this as crucial to mitigate against future climate change disasters such as the periodic floods in the provinces of KwaZulu-Natal and the Eastern Cape.
15. Instructs the cidb to report on progress and achievements to roll out business advisory services at cidb provincial offices to 285 contractors on cidb prescripts, the IDMS and the Framework for Infrastructure Delivery and Procurement Management (FIDPM) as part of ensuring compliance to the PFMA ininfrastructureprocurement and assisting the ERRP objectives and the Department of Cooperative Governance and Traditional Affairs to get the District Development Model (DDM) off the ground.
16. Reports to the committee by September 2022 on coordinated programmatic efforts to properly link the identified 10,089 unemployed built environment professional graduates in the CBE Candidate Pipeline Programme database of Built Environment Professional Practitioners in legally and regulatory compliant ways to Strategic Infrastructure Projects (SIPS) so that benefit is derived for both the graduates and municipalities where these scarce skills are required. This, as a crucial aspect to assist ISA and DPWI to kick-start the economy through infrastructure projects of the ERRP in the 44 district and 226 local municipalities throughout the country.
17. Provides a report to the committee in July 2022 on the status of the CBE Council to quorate in order to effectively perform its appeals mandate over the professional built environment sector.
18. Provides a report on promoting an ethical and efficient CBE, in its interrelationship with the six BEP Councils, ensure that the root causes of leadership deficits, governance challenges and investigations in the BEP Councils are independently, administratively proficiently, professionally and timeously addressedto illuminate ongoing rumours of harassment in Boards.
19. Instructsthe CBE to provide a report to the committee by August 2022 on urgent steps it is taking to strengthen this regulatory function over the professional built environment councils.
20. In August 2022, reportson the strategic role of the CBE and cidbto collaboratively leverage its capacity for employment creation so that the professional built environment and construction industry becomes the greatest job creator in the country. In this regard, the committee urges the entities to design programmes with stakeholders and present to the committee on innovative ways to spend its allocated budgets for youth development programmesin more strategically focused manners.
21. By September 2022, reports on how the department plans to effectively deal with hazardous asbestos material that remains present in housing occupied by Members in the parliamentary villages.
22. Reports on the department’sreview of its unused properties and find new ways to leverage these in order to prevent destruction and dismantling in respect of their role as custodian of government immovable property in terms of GIAMA. A report to be provided by October 2022.
23. Provides an update report of progress on the review of the national infrastructure management strategyin November 2022.
24. Ensures that the PMTE undertakesan organizational review and report to the committee by March 2023 to address vacancies and the impact of the proposed implementation of an automated asset management programme.
25. Provides feedback regarding the determination of the structure Infrastructure South Africa (ISA) including its organizational design and funding model.
26. Ensures that the cidb presents on the BUILD programme including elements such as costing models, timeframes for implementation and enforcement mechanisms to the committee in August 2022.
27. Provides a report on streamlining project contract development across the department, PMTE, and public works and infrastructure entities and determine whether or not this would best be incorporated into one contractor development programme. The report must be presented by March 2023.

Report to be considered.

1. These are the Council for the Built Environment (CBE), the Construction Industry Development Board (CIDB), Agrément South Africa (ASA), and the Independent Development Trust (IDT). [↑](#footnote-ref-2)
2. See page 30 of this report. In the case of the DPWI, over the last three financial years, the Director-General has been suspended and an Acting Director-General (ADG) is performing these tasks. The tendency of unstable and inconsistent administrative leadership has become a feature of this administration– the analytic and deliberations sections refer to this instability and the consequences to its mandated deliverables. [↑](#footnote-ref-3)
3. These are prescribed quarterly and annual reports as per the financial reporting obligations stated in the PFMA. These reports further assist with consistent in-year data gathering that enhances oversight for the budgetary review and recommendation reports required in compliance with the provisions of the Money Bills and Related Matters Act. However, where reports are required on specific matters during the year, the Minister and DG is obligated to provide requested detail to the committee. [↑](#footnote-ref-4)
4. Ramaphosa,C.(2022). [↑](#footnote-ref-5)
5. All figures in the analyses are from NationalTreasury(2022),p.201. [↑](#footnote-ref-6)
6. DPWI Strategic Plan 2020-2025, p.9 [↑](#footnote-ref-7)
7. Ibid. [↑](#footnote-ref-8)
8. Ibid. [↑](#footnote-ref-9)
9. DepartmentofPublicWorksandInfrastructure(2022),pp.62-3. [↑](#footnote-ref-10)
10. NationalTreasury(2022),p.206. [↑](#footnote-ref-11)
11. DepartmentofPublicWorksandInfrastructure(2020),p.117. [↑](#footnote-ref-12)
12. DepartmentofPublicWorksandInfrastructure(2022),p.67. [↑](#footnote-ref-13)
13. 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. [↑](#footnote-ref-14)
14. 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. [↑](#footnote-ref-15)
15. Department of Public Works (2016), p. 325. [↑](#footnote-ref-16)
16. All amounts in the tables as provided in the Estimates of National Expenditure (ENE) for the Department of Public Works and Infrastructure, Budget Vote 13, National Treasury, 2022/23. [↑](#footnote-ref-17)
17. This was previously known as the Best Practice Project Assessment Scheme. [↑](#footnote-ref-18)
18. The CIDB Act 38 of 2000 mandates the entity to lead efforts to optimize the construction sector’s contribution to social and development goals. It developed the **Best Practice Project Assessment Scheme**, as mentioned previously, this is now referred to as the CIDB **B.U.I.L.D**. Programme. [↑](#footnote-ref-19)
19. South African National Standards. [↑](#footnote-ref-20)
20. Thesematters emerged from deliberations on focused on the Strategic Plan 2020-2025 during the 2020/21 financial year as the first year of the five-year administrative term. This section was further updated through the committee’s deliberations on the 2022/23 APP on 4 May 2022. [↑](#footnote-ref-21)
21. “Structural Relationships between Government and Civil Society Organisations”, Report prepared for the Deputy President, Thabo Mbeki, South Africa. p. 3 [↑](#footnote-ref-22)
22. 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). [↑](#footnote-ref-23)
23. 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 for further information. [↑](#footnote-ref-24)
24. IDT APP 2022/23 [↑](#footnote-ref-25)
25. The NDP stresses the need to fundamentally reshape the apartheid geo-spatial form. It acknowledges that it may take many decades butdirectsthatall government departments and entities shouldstriveformeaningfulprogressincreatingurbansettlementsthatare functionally integrated, balanced and vibrant, including the revival of rural areas. [↑](#footnote-ref-26)
26. AgrémentSA,(2022)pp.45 -46 [↑](#footnote-ref-27)
27. Portfolio Committee on Public Works and Infrastructure Budget Vote Report 2020/21 and AgrémentSA,(2022),p.23. [↑](#footnote-ref-28)
28. AgrémentSA,(2022),p.44. [↑](#footnote-ref-29)
29. *Nominalvalue*ismeasuredinterms ofRand value,while*realvalue*is thatwhichhasbeenadjustedforinflation. [↑](#footnote-ref-30)
30. AgrémentSA,(2022),p.44. [↑](#footnote-ref-31)
31. AgrémentSA,(2022),p. 43. [↑](#footnote-ref-32)
32. AgrémentSA,(2022),p. 28. [↑](#footnote-ref-33)