**MEDIA STATEMENT**

**APPROPRIATIONS COMMITTEE CONCERNED BY UNDERSPENDING AT PUBLIC WORKS AND INFRASTRUCTURE DEPARTMENT**

**Parliament, Wednesday, 18 May 2022 –** The Standing Committee on Appropriations was briefed by the Department of Public Works and Infrastructure (DPWI) on the 2022 Appropriation Bill.

The department spoke about the possible implications for service delivery in the proposed allocation of R26.1 billion over the 2022 medium-term economic framework. The department received a total budget of R8.5 billion for 2022/23 in terms of the 2022 Appropriation Bill, and the budget increases steadily to R.6 billion in 2023/24 and R9 billion in 2024/25.

A large portion of the budget, R4.8 billion for 2022/23, will be transferred to the Property Management Trading Entity (PMTE). The PMTE is the DPWI’s entity responsible for the maintenance and refurbishment of state property. The Expanded Public Works Programme (EPWP) receives the second-biggest share of the budget at R3 billion for 2022/23.

Committee chairperson Mr Sfiso Buthelezi said: “Underspending has a negative impact on economic growth, employment creation, fighting poverty and inequality.” He also cautioned that the government borrows some of its money, which makes it expensive.

The DPWI informed the committee that its total lease portfolio consists of 2 591 properties nationwide to house approximately 47 departments. Furthermore, 14 national government departments occupy over 750 000 square meters of accommodation space.

The Minister for DPWI, Ms Patricia de Lille, confirmed that in some instances the department has been overcharged by the private sector for rental space, but it is trying to renegotiate these contracts.

On the issue of devolution of maintenance functions, the committee recommended that facilities management be assigned to the respective departments. The department responded by saying that it does have agreements with some departments who have assumed this function themselves, including Home Affairs, Justice and Correctional Services, and Sports, Arts and Culture.

The committee further stressed the need for the department to be at the forefront of economic transformation and broad-based black economic empowerment. Mr Buthelezi further noted the potential risks posed by having an acting Director-General and acting senior managers in such a crucial department.

The committee recommended that the department plan for how it can move away from having so many rentals on its books. The committee also recommended that the department collaborates with municipalities to refurbish derelict buildings so they can be used by government departments.

On the EPWP, the committee recommended that workers in the programme should learn skills they can use elsewhere. The committee also asked the department to put mechanisms in place to guard against the employment of ghost workers in the programme and called for the EPWP Integrated Grant, which includes construction, maintenance, roads and land care, to be considered for rural areas as well.

The committee will prioritise an oversight visit to the Department of Public Works and Infrastructure to follow up on issues raised in the meeting in due course.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE STANDING COMMITTEE ON APPROPRIATIONS, MR SFISO BUTHELEZI.**

For media enquiries or interviews with the Chairperson, please contact the committee’s Media Officer:
Name: Jabulani Majozi (Mr)
Parliamentary Communication Services