**National Assembly**

**Question No 1712**

**Mrs W R Alexander (DA) to ask the Minister of Transport:**

Whether she will furnish Mrs W R Alexander with a comprehensive breakdown of the procurement allocation of (a) her department and (b) every entity reporting to her in terms of the percentages allocated to (i) small-, medium- and micro-enterprises, (ii) cooperatives, (iii) township enterprises and (iv) rural enterprises with a view to evaluating the effectiveness of the set-aside policy of the Government in fostering an inclusive and diverse economic landscape (details furnished) in the (aa) 2021-22 financial year and (bb) since 1 April 2023? NW1953

**REPLY**

**Department**

a)(i) The Department procured the following estimated percentage from small-, medium- and micro-enterprises, for both tender and quote processes:

(aa) 2021-22: 19% of all procurement;

(bb) Since Apr 2023: 25% of all procurement.

In response to (a)(ii) to (iv), please note that PPPFA Regulations 2017 and other National Treasury procurement rules and regulations did not allow for set asides. In terms of the PPPFA Regulations 2017, preference was given in terms of BBBEE status. Service providers also were not required to provide information regarding cooperatives and whether they were rural or township enterprises.

The PPPFA Regulations of 2022, with effect from 16 January 2023, allow Department’s to develop their own goals.

As the Department of Transport our policy includes promoting rural enterprises, as and when the Department procures for events in rural/township areas. Rural and township enterprises can bid/quote for all requests via standard processes.

Procurement processes and the Central Supplier Database do not prevent any supplier from registering or contracting. However, there is no requirement to provide the requested information, which as such is not recorded by the Department.

**Air Traffic and Navigation Services SOC Ltd ( ATNS)**

(aa) 2021-22 financial year

|  |  |  |
| --- | --- | --- |
| **B-BBEE rating** | **Number of suppliers** | **Percentages (%)** |
| Generic | 140 | 26% |
| 1. **SMMEs**
 | **244** | **46%** |
| 1. **Cooperatives**
 | **0** | **0%** |
| 1. **Township enterprises**
 | **13** | **2%** |
| 1. **Rural**
 | **18** | **3%** |
| Others (Municipalities, International Suppliers, Landlords, Government Departments, NGO, etc., | 118 | 23% |
| **Total** | **533** | **100%** |

(bb) since 1 April 2023

|  |  |  |
| --- | --- | --- |
| **B-BBEE rating** | **Number of suppliers** | **Percentages (%)** |
| Generic | **3** | **12%** |
| 1. **SMMEs**
 | **20** | **80%** |
| 1. **Cooperatives**
 | **0** | **0%** |
| 1. **Township enterprises**
 | **1** | **4%** |
| 1. **Rural**
 | **1** | **4%** |
| **Total** | **25** | **100%** |

**South African Civil Aviation Authority (SACAA)**

1. The procurement allocation for the South African Civil Aviation Authority (SACAA):

As per the SACAA approved budget the procurement allocation for goods and services for the following periods amount to:

2021/2022 financial year amounts to R160 100 508

2022/2023 financial year amounts to R212 735 409

Since 1 April 2023 to 30 April 2023 R 18 154 964

1. (i) (aa) (bb) % Allocated to Small, Medium and Micro Enterprises

2021/2022 financial year 20%

2022/2023 financial year 20%

Since 1 April 2023 to 30 April 2023 20%

(ii) % Allocated to Cooperatives

No allocation made to cooperatives.

(iii) % Allocated to Township Enterprises

No allocation made to Township Enterprises.

(iv) % Allocated Rural Enterprises

No allocation made to Rural Enterprises

**Airports Company South Africa SOC Ltd (ACSA)**

The Total Procurement spend for the financial year 2022/23 (from April 2022 to March 2023) was R2 007 856 547. Spend with Broad Based Black Economic Empowerment (B-BBEE) companies was 73.50% (R1 475 774 562) of total Procurement spend. Qualifying Small Enterprises (QSE) and Exempted Micro Enterprises (EME) benefited 25.45% (R375 584 626) and 21.11% (R311 536 010) respectively, both against a target of 20% of total B-BBEE spend. The total spend with 30% or more Women Owned Businesses was 37.08% (R547 217 208) against a target of 20% and 51% Youth Owned businesses spend was 3.81% (R56 227 011) against a target of 10% of total B-BBEE spend.

The targeted Procurement spend for Co-operatives, Township Enterprises and Rural Enterprises was 30% (R602 356 964) of total Procurement spend and 25% (R501 964 137) was achieved. There has not been spend with Rural Enterprises due to the location of our airports. The table below summarises the above statements:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **#** | **DESCRIPTION** | **TARGET**  | **ACTUAL VALUE OF SPEND**  | **% SPEND** | **COMMENTS** |
| **1.** | **Total Procurement Spend** | **Per Budget** | **R2 007 856 547** | **100%** | **As per budget** |
| **2.** | **Broad Based Black Economic Empowerment (B-BBEE)**  | **80%** | **R1 475 774 562** | **73.50%** | **As a % of Total Procurement Spend** |
| **3.** | **Qualifying Small Enterprises** | **20%** | **R375 584 626** | **25.45%** | **As a % of B-BBEE spend** |
| **4.** | **Exempted Micro Enterprises** | **20%** | **R311 536 010** | **21.11%** | **As a % of B-BBEE spend** |
| **5.** | **30% or more Women Owned Businesses** | **20%** | **R547 217 208** | **37.08%** | **As a % of B-BBEE spend** |
| **6.** | **51% Youth Owned Businesses** | **10%** | **R56 227 011** | **3.81%** | **As a % of B-BBEE spend** |
| **7.** | **Co-operatives** | **30%** | **R100 392 827** | **5.00%** | **As a % of Total Procurement Spend** |
| **8.** | **Township Enterprises** | **R401 571 309** | **20%** |
| **9.** | **Rural Enterprises** | **R0.00** | **0%** |

**Road Traffic Management Corporation (RTMC)**

aa)Below is a split of spend between suppliers that are Exempted Micro Enterprises (EME) and Qualifying Small Enterprises (QSE) for the 2021-22 financial year indicating the designated groups.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TOTAL SPEND BREAKDOWN** | **HDI** | **GOVERNMENT ENTITIES (Exempted)** | **OTHER** | **TOTAL** |
| **Mar-22** | **TOTAL CUMMULATIVE** | **R596 536 722** | **R110 383 973** | **R234 963 706** | **R941 884 402** |
|  |  | **63%** | **12%** | **25%** | **100%** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **HDI BREAKDOWN** | **YOUTH** | **WOMEN** | **OTHER BLACK OWNED ENTITIES** | **DISABILITY** | **TOTAL** |
| **Mar-22** | **TOTAL CUMMULATIVE** | **R9 231 045** | **R239 463 796** | **R346 161 406** | **R1 680 475** | **R596 536 722** |
|  |  | **2%** | **40%** | **58%** | **0%** | **100%** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TOTAL SPEND BREAKDOWN OF HDI** | **YOUTH** | **WOMEN** | **OTHER BLACK OWNED ENTITIES** | **DISABILITY** | **TOTAL HDI SPEND**  | **TOTAL** |
| **SMME ANALYSIS** | Spend on EME | 4 063 106 | 28 980 709 | 115 822 136 | 1 680 475 | 150 538 775 | 150 538 775 |
| **1%** | **5%** | **19%** | **0%** | **16%** | **25%** |
| Spend on QSE | 4 587 217 | 48 291 444 | 70 431 574 | 7 650 | 123 310 235 | 123 310 235 |
| **4%** | **8%** | **12%** | **0%** | **13%** | **24%** |
| Spend on Generic | 580 722 | 162 191 644 | 159 915 347 | 0 | 322 687 712 | **322 687 712** |
| **0%** | **27%** | **27%** | **0%** | **54%** | **54%** |
| **Spend on EME and QSE** | **8 650 323** | **77 272 152** | **186 253 710** | **1 688 125** | **273 849 010** | **273 849 010** |
|   |   | **1%** | **13%** | **31%** | **0%** | **29%** | **29.07%** |
| 29.07% of the Corporation's total spend was towards SMME's |

bb) Below is a split of spend between suppliers that are Exempted Micro Enterprises (EME) and Qualifying Small Enterprises (QSE) for the month ending 30 April 2023 indicating the designated groups.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TOTAL SPEND BREAKDOWN** | **HDI** | **GOVERNMENT ENTITIES (Exempted)** | **OTHER** | **TOTAL** |
| **Apr-23** | **TOTAL CUMMULATIVE** | **R4 927 000** | **R9 106 081** | **R1 323 915** | **R15 356 996** |
|  |  | **32%** | **59%** | **9%** | **100%** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **HDI BREAKDOWN** | **YOUTH** | **WOMEN** | **OTHER BLACK OWNED ENTITIES** | **DISABILITY** | **TOTAL** |
| **Mar-22** | **TOTAL CUMMULATIVE** | **R494 678** | **R2 590 681** | **R1 841 641** | **R0** | **R4 927 000** |
|  |  | **10%** | **53%** | **37%** | **0%** | **100%** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TOTAL SPEND BREAKDOWN OF HDI** | **YOUTH** | **WOMEN** | **OTHER BLACK OWNED ENTITIES** | **DISABILITY** | **TOTAL HDI SPEND**  | **TOTAL** |
| **SMME ANALYSIS** | Spend on EME | 4 785 | 1 124 878 | 1 053 158 | 0 | 2 182 821 | 2 182 821 |
| **0%** | **23%** | **21%** | **0%** | **14%** | **44%** |
| Spend on QSE | 11 600 | 888 048 | 514 801 | 0 | 1 414 449 | 1 414 449 |
| **1%** | **18%** | **10%** | **0%** | **9%** | **29%** |
| Spend on Generic | 478 293 | 577 756 | 273 682 | 0 | 1 329 731 | **1 329 731** |
| **10%** | **12%** | **6%** | **0%** | **27%** | **27%** |
| **Spend on EME and QSE** | **16 385** | **2 012 925** | **1 567 959** | **0** | **3 597 269** | **3 597 269** |
|   |   | **0%** | **41%** | **32%** | **0%** | **23%** | **23.42%** |

23.42% of the Corporation's total spend was towards SMME's

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cross Border of Road Transport Agency (CBRTA)*** 1. (b) The Cross-Border Road Transport Agency (C-BRTA) issued orders in the amount of R32,741,722.57 for the (aa) 2021-22 financial year and R7,796,923.01 for the period (bb) 01 April 2023 to 12 May 2023.
1. Out of the total orders issued, an amount of R20,827,412,27 (64%) was issued to small-, medium- and micro-enterprises for the 2021-22 financial year and R5,892 600.29 (75%) for the period 01 April 2023 to 12 May 2023,
2. R29,380.00 (0.14%) was issued to cooperatives for the 2021-22 financial year and R0.00 (0%) for the period 01 April 2023 to 12 May 2023
3. R0.00 to township enterprises for both periods and
4. R0.00 to rural enterprises for both periods.

The breakdown per the categories above was based on information loaded in the National Treasury Central Supplier Database (CSD). The C-BRTA does not conduct independent verification of the information loaded on CSD.**Road Accident Fund (RAF)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Procurement** **allocation in terms of:**  | **2021/22**  | **2022/23**  | **01 April to 30 April** **23**  |
| (i) SMMEs  | R2 506 855 071.91 which is 56% of procurement spend  | R1 680 270 441.90 which is 64% of procurement spend  | R40 400 634.66 which is 56% of procurement spend  |
| (ii) Cooperatives  | **Refer to note 1**  |
| (iii) Township Enterprises |
| (iv) Rural enterprises |

Note 1: The RAF is currently not able to report on procurement spend Cooperatives, Township and Rural Enterprises. Despite the challenge in reporting the RAF still ensures that a considerable share of our procurement spend is with B-BBEE Compliant Enterprises. The RAF is required to source the goods and services from service providers who registered with National Treasury Central Supplier Database (CSD). The CSD searches do not provide for searching of designated groups. RAF is in a process of formulating a transformation plan that includes targets of preferential procurement goals as specified above.**South African National Roads Agency Limited (SANRAL)**SANRAL collates information in accordance with the Preferential Procurement Policy Framework Act (PPPFA), which defines the categories of Exempted Micro Enterprises (EME), Qualifying Micro Enterprises (QSE) and Generic/Large entities. Both EME and QSE’s are regarded as (i) small-, medium- and micro enterprises (SMME). The table below reflects the awards for the (aa) 2021-22 and (bb) 2022/23 financial years. |  |



**Railway Safety Regulator (RSR)**

2021/2022 Financial year end total spend R62,975,134-80

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Amount Spent** | **Percentage** |
| **(i)** | EME&QSE | R43,603,479-47 | 69.24% |
| **(ii)** | Cooperatives | R16,636,045-64 | 26.42% |
| **(iii)** | Township enterprises | 0 | 0 |
| **(iv)** | Rural enterprises | 0 | 0 |

1 April 2023 total spend R 6 042 254.43

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Amount Spent | Percentage |
| (i) | EME&QSE | R2,941,419 | 48.68% |
| (ii) | Cooperatives | R2,877,035 | 47.62% |
| (iii) | Township enterprises | 0 | 0 |
| (iv) | Rural enterprises | 0 | 0 |

**South Maritime Safety Authority (SAMSA)**

1. Not applicable
2. (aa) 2021-22 financial year:
3. 20.69% of procurement allocated to small, medium and micro-enterprises
4. Not applicable
5. Not applicable
6. Not applicable

(bb) Since April 2023: This information is not currently available for any of the categories due to a cyber-attack on our ICT environment.

**Ports Regulator of South Africa (PRSA)**

1. Not applicable
2. (aa) 2021-2022 financial year not applicable
3. Not applicable
4. Not applicable
5. Not applicable
6. Not applicable

(bb) Not applicable