

**MINISTRY**

**PUBLIC WORKS AND INFRASTRUCTURE**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 644 [NW845E]**

**INTERNAL QUESTION PAPER NO.: 12**

**DATE OF PUBLICATION: 24 APRIL 2020**

**DATE OF REPLY: 20 MAY 2020**

**644. Mr R A Lees (DA) to ask the Minister of Public Works and Infrastructure:**

With reference to her reply to question 304 on 19 March 2020, what are the details of the amounts owed by client departments to the Department’s Property Management Trading Entity as at (a) 31 March 2018, (b) 31 March 2019 and (c) 28 February 2020 including but not exclusively the details of (i) each client in respect of their, (aa) names, (bb) contact details and (cc) accounting officers’ names, (ii) dates on which the payments were made on behalf of each client, (iii) the expenditure incurred and paid for on behalf of each client and (iv) why clients had not paid within 30 days of the payments having been made on behalf of clients?  **NW846E**

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**REPLY:**

**The Minister of Public Works and Infrastructure:**

The amounts owed by client departments to the Department of Public Works and Infrastructure (DPWI) Property Management Trading Entity as at:

(a) As at 31 March 2018, the gross outstanding balance was R3.478 billion that included an amount of R2.367 billion for impairment. The amount disclosed in the annual report was a net balance of R1.111 billion. (**Annexure A**)

(b) As at 31 March 2019, the gross outstanding balance was R4.172 billion that included an amount of R2.590 billion for impairment. The amount disclosed in the annual report was a net balance of R1.582 billion.

(c) As at 28 February 2020, the gross outstanding balance (before impairment) was R7.282 billion that included an amount of R2.590 billion that was impaired on the 31 March 2019. The impairment amount for the year ended 31 March 2020 has not been calculated yet and will be calculated and disclosed in the annual financial statements for the year ended 31 March 2020.

Impairment is an accounting requirement that requires the Entity to evaluate whether objective evidence exists as a result of one or more events (a loss event) that may impact on the recoverability of the amounts due and calculate an impairment loss based on future expected cash flows. It must be noted that amounts impaired do not mean that they have been written off by the Entity. There is continuous engagement with client departments to ensure that they pay the gross outstanding debt.

The details of the amount owed for 31 March 2018, 31 March 2019 and 28 February 2020 are listed in Annexure A attached.

(i) The details of each client with respect of their, (aa) names, (bb) contact details and (cc) accounting officers’ names, are attached as (**Annexure B)**.

(ii) and (iii) the **Table A** below reflect the period in which the payments were made on behalf of each client and the expenditure incurred and paid for on behalf of each client.

**Table** A:

|  |  |
| --- | --- |
| Ageing bracket | Amount |
| Current (0-30 days outstanding) | R 1 199 303 174.83 |
| 30 days | R 1 187 276 619.08 |
| 60 days | R 514 491 484.74 |
| 90 days | R 362 236 122.09 |
| <1 year | R 1 507 012 265.46 |
| 1-3 years | R 1 622 432 217.30 |
| 3- 5 years | R 328 926 973.56 |
| > 5 years | R 560 054 849.53 |
| TOTAL | R 7 281 733 706.59 |

The current approved business model of the Entity is that expenditure is incurred on behalf of client department after which the amount is claimed. The expenditure that is incurred on behalf of client departments is for private leases, municipal services, client infrastructure spending (Capital allocation) and other recoverable infrastructure projects (referred to as PACE and CA). At the end of the month, all payment made are then consolidated as a claim/invoice and sent to each client department to reimburse the Entity within 30 days as prescribed by Treasury Regulations 8.2.3. The current model has been revised and communicated to all user departments, where each user department must sign Billing Agreement to pay quarterly in advance for certain services.

(iv) As at 28 February 2020, an amount of R7,282 billion was outstanding from national departments and other organs of the state (**Annexure C**). Some of the reasons cited by client departments not to pay the Department is due to:

• user departments dispute occupation,

• lack or insufficient budget;

• budget cuts by National Treasury;

In line with established inter-governmental framework principles, below are some of the intervention that the Department has put in place to recover the outstanding from client departments:

* Request to National Treasury to intervene on clients that do not pay within 30 days;
* The Minister wrote letters to her counterparts requesting them to ensure that their departments pay the outstanding balances;
* An intergovernmental framework on billing and recovery has been implemented to address the outstanding debt; dispute resolution and advance billing for services rendered;
* The Department has resolved to devolve municipal services to the client departments; and
* National Treasury was requested to issue an instruction note for all user departments to pay quarterly in advance, ring-fence the budget for accommodation and consider allocating infrastructure and accommodation budget to the DPWI. National Treasury is still processing the request of the Department.

**Annexure B**

|  | **NAME OF DEPARTMENT** | **DIRECTOR-GENERAL** | **PHONE** | **FAX**  | **E-MAIL** |
| --- | --- | --- | --- | --- | --- |
|  | **Agriculture, Forestry & Fisheries** | **Mr Mzamo Michael Mlengana** | (012) 319 6503 | (012) 319 7135 | Phone 012 319 6503Fax 012 319 7135Email MortimerM@daff.gov.za |
|  | **Arts and Culture** | **Mr Vusumuzi Mkhize****Director-General** | (012) 441 3027 | 012 441 3735 | directorgeneral@dac.gov.za |
|  | **Basic Education** | **Mr Hubert Mathanzima Mweli****Director-General** | (012) 357 4504 | (012) 323 58370862 070 149 | Mweli.M@dbe.gov.za; |
|  | **Communications** | **Qinisile Delwa (Acting DG)** | (012)  473 0418(012) 473 0469 |  | qinisile@doc.gov.za |
|  | **Cooperative Governance**  | **Mr Dan Metlana Mashitisho****Director-General** | (012) 334 0518(021) 469 6735 | 086 293 4966 | Danm@cogta.gov.za |
|  | **Correctional Services** | **Arthur Fraser, Mr**National Commissioner  | (012) 305 8841 | (012) 323 6149 | Arthur.Fraser@dcs.gov.za |
|  | **Civilian Secretariat for Police** | **Mr Alvin Rapea****Secretary of Police** |  (012) 393 2520  | (012) 393 2536/8 | Labi.Ndhlovu-Shakung@csp.gov.za |
|  | **Defence** | **Dr Sam Gulube****Secretary for Defence**082 078 7707 | (012) 355 6219(012) 355 6220 | (012) 347 7445 | Sam.Gulube@dod.mil.za;Secdef@dod.mil.za;Maete.Lengolo@dod.mil.zaMoleboge.Mojapelo@dod.mil.za |
|  | **Economic Development** | **Mr Monde Tom (Acting DG)** | (012)  394 1045012 394 5664 |  | MTom@economic.gov.za;NPShabane@economic.gov.zaWMasvanhise@economic.gov.za |
|  | **Energy** | **Zulu Thabane, Mr****Director-General** | (012)  406 7672 | (012)  643 0932 | Nokuthula.mbeje@energy.gov.za; |
|  | **Environmental Affairs** | **Ms Nosipho Ngcaba****Director-General** | (012)  310 3017 | (012)  322 4832 | nngcaba@environment.gov.za |
|  | **GCIS** | **Ms Pumla Williams****(Acting DG: GCIS)** | (012)  473 0245012 473 0163 |  | precian@gcis.gov.za; |
|  | **Health** | **Anban Pillay, Dr** **Acting Director-General** | (012) 395 9150 | (012)  395 8422 | dg@health.gov.za; |
|  | **Higher Education & Training**  | **Mr Gwebinkundla Qonde****Director-General**082 705 9457 | (012) 312 6349 /6350012 312 5429 | (012) 323 0291 | Qonde.G@dhet.gov.za;Moloisi.I@dhet.gov.za;Mkhabela.S@dhet.gov.za |
|  | **Home Affairs** | **Mr Jackie McKay** **Director-General (Acting)** | (012)  406 7070 | 086 512 7864 | directorgeneral@dha.gov.za |
|  | **Human Settlements** | **Mr Mbulelo Tshangana****Director-General**082 801 9708 | (012)  421 1486012 421 1486 | 086 546 0490 | Mbulelo.tshangana@dhs.gov.zaBongiwe.ngobese@dhs.gov.zaMoipone.ngoasheng@dhs.gov.za |
|  | **Independent Police Investigative Directorate** | **Patrick Setshedi,Mr****Executive Director (Acting)** | (012)  399 0026(012) 399 0070 | (012)  399 0144086 630 0617(012) 399 0144 | tmahibila@ipid.gov.za rmamabolo@ipid.gov.za amphago@ipid.gov.za  |
|  | **International Relations & Cooperation**  | **Mr Kgabo E Mahoai****Director-General** | (012) 351 0363(012)  351 0296 | (012)  329 2242(012) 329 2242 | radebel@dirco.gov.zamahoaik@dirco.gov.za;moroej@dirco.gov.zathabedes@dirco.gov.za |
|  | **Justice and Constitutional Development** | **Director-General****JB Skosana (Acting), Adv** | (012) 406 4701(012) 406 4706/4 | 086 644 6406 | bmusekwa@justice.gov.za;bmlambo@justice.gov.za;JSkosana@justice.gov.zackok@justice.gov.za; |
|  | **Labour** | **Mr Thobile Lamati****Director-General**082 467 4315082 886 2604 | (012) 309 4126 | (012) 309 4620 | Thobile.Lamati@labour.gov.za;Sandisiwe.kaba@labour.gov.za |
|  | **Military Veterans** | **Director-General****Derrick Mgwebi (Acting), Mr** | (012)  671 4783(012) 264 3280 | (012) 671 1108 | Puseletso.mthombeni@dmv.gov.za;odg@dmv.gov.za; |
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|  | **National School of Government** | **Principal****Busani Ngcaweni, Mr** | (012) 441 6079012 441 6133 | (012) 441 6044 | dg.secretary@thensg.gov.za;malefau.masemola@thensg.gov.za |
|  | **National Treasury** | **Mr Dondo Mogajane****Director-General** | (012)  351 5904 | (012)  328 5145 | Dondo.Mogajane@treasury.gov.zaFelicitas.Mogase@treasury.gov.za; |
|  | **Planning Monitoring & Evaluation** | **Ms Nompumelelo Mpofu****Director-General****071 267 8748****Mr Tsediso Matona****Secretary for National Planning** | (012) 312 0014(012) 312 2261 |  | Caroline@dpme.gov.za;Ellen@dpme.gov.za |
|  | **Public Enterprises** | **Director-General****Kgathatso (Acting) Tlhakudi, Mr** | (012) 431 1035021 469 6776  | (012) 431 1040 | DGOffice@dpe.gov.za  |
|  | **Public Service and Administration**  | **Ms Yoliswa Makhasi** **Director-General** | 012 336 1279012 469 5485(012) 336 1088 | 086 632 2028 | Puleng.sibanda@dpsa.gov.zaMonicaP@dpsa.gov.za;Tsholofelo.Mathabathe@dpsa.gov.za; |
|  | **Public Service Commission** | **Dr Dovhani Mamphiswana****Director-General**082 773 0432082 261 8809 | (012)  352 1025(012) 352 1200 | (012) 325 8322086 647 9746 | connieg@opsc.gov.za; |
|  | **Public Works** | **Adv Sam Vukela****Director-General** | (012)  406 1988 | (012)  328 4217(021)  465 1244 | Sam.Vukela@dpw.gov.zaDG.PA@dpw.gov.zaNompumelelo.Hlakula@dpw.gov.zaManthekeleng.Monama@dpw.gov.za; |
|  | **Rural Development and Land Reform** | **Director-General****Mdu Shabane, Mr** | (012)  312 8503 (012) 312 8867 | (012) 312 6072 (012) 323 6072 | DGOffice@drdlr.gov.za |
|  | **Science and Technology** | **Dr Phil Mjwara****Director-General**082 889 0971 | (012 )843 6815 | 086 681 0006 | phil.mjwara@dst.gov.za[Itshekeng.masilela@dst.gov.za](file:///C%3A%5CUsers%5Cuser%5CAppData%5CLocal%5CTemp%5CXPgrpwise%5CCLUSTER%20REPRESENTATIVES%5CESEC%20REPRESANTATIVES%5Ccontact%20r%5CItshekeng.masilela%40dst.gov.za)Nomkhosi.peter@dst.gov.za Zanele.sithole@dst.gov.za Bongiwe.kheswa@dst.gov.za; |
|  | **Small Business Development** | **Acting Director-General****Lindokuhle Mkhumane, Mr** | 012 394 1433 |  | LMkhumane@dsbd.gov.za |
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|  | **South African Police Service****(SAPS)** | **General KJ Sitole****National Police Commissioner**082 450 9206 | 012 400 6583012 400 6890 |  | MathebulaA@saps.gov.za ChiloaneM@saps.gov.za depnatcom@saps.gov.za sitolej@saps.gov.za |
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|  | **Telecommunications & Postal Services**  | **Mr Robert Nkuna****Director-General** | 012) 427 8031012 427 8167 | (012) 427 8016 | tmathebula@dtps.gov.zarnkuna@dtps.gov.za; |
|  | **The Presidency** | **Dr Cassius Lubisi****Director-General** | (012)  300 5354 | 086 683 5354 | Nokukhanya@presidency.gov.za;Nelly@presidency.gov.za; |
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|  | **Trade and Industry** | **Mr Lionel October****Director-General**071 356 1135 | (012) 394 3075 | (012)  394 0323 | loctober@thedti.gov.za;emsiza@thedti.gov.za;TMatshego@thedti.gov.za; |
|  | **Traditional Affairs** | **Mr Mashwahle Diphofa****Director-General** | (012) 334 4918 | 086 616 7586 | AnnaM@cogta.gov.za;charlesn@cogta.gov.zaReshoketsweM@cogta.gov.za |
|  | **Transport** | **Director-General****Alec Moemi, Mr** | (012) 309 3172 | (012) 328 5926 | DirectorGeneral@dot.gov.zaphenyam@dot.gov.za; |
|  | **Water & Sanitation** | **Director-General****Deborah Mochotlhi (Acting), Ms** | (012) 336 8152 | (012) 336 8850 | MochotlhiD@dws.gov.za |
|  | **Women**  | **Director-General****Shoki Tshabalala (Acting), Ms** | (012) 359 0071 | (012) 323 5954 | dg@women.gov.za |
|  | Government Pensions Administration Agency(GPAA) | **Chief Executive Officer****Krishen Sukdev, Mr** | 012 319 1007 | 012 326 2507 | krishen.sukdev@gpaa.gov.za |
|  | Government Printing Works | **Chief Executive Officer(Acting)****Thandi Moyo, Ms** | 012 748 6213 | 012 323 9746 | Thandi.Moyo@gpw.gov.za |