



Comments by Paul Theron

DIVISION OF REVENUE BILL [B4-2011] – INFRASTRUCTURE GRANTS

AUTHOR'S BACKGROUND

× Background

- + A civil engineer involved in labour-intensive and job creation programmes since 1992
- + Involved in the development of the Zibambele and Vukuzakhe (Emerging Contractor Development) Programmes in KwaZulu Natal and the Eastern Cape
- + Developed labour intensive construction methods manual for KwaZulu Natal
- + Part of the CARNS team, and the Road to Wealth and Job Creation in KZN
- + Provide EPWP technical support in the Eastern Cape and North West
- + Investigating exit strategies for people on poverty alleviation programmes and people receiving social grants

STATE OF THE NATION

State of the Nation Address By His Excellency Jacob G Zuma,
President of the Republic of South Africa, 10 Feb 2011

- ✦ We have declared 2011 a year of job creation through meaningful economic transformation and inclusive growth
- ✦ All government departments will align their programmes with the job creation imperative. The provincial and local government spheres have also been requested to do the same
- ✦ Our performance monitoring and evaluation department will coordinate and monitor the work of government departments closely, as they mainstream job creation
- ✦ We welcome the undertaking by Parliament to also monitor the adherence to the call to prioritise job creation by government

COMMENTS ON INFRASTRUCTURE GRANTS

- ✖ We have the following comments and proposed additions to the Division of Revenue Bill (B4-2011) in respect of the Conditional Grants, which were part of the *Infrastructure Grant to Provinces* before this grant was restructured. The purpose of these comments is to inculcate job creation and skills development in the use of these grants. These grants are:-
 - + The Education Infrastructure Grant;
 - + The Health Infrastructure Grant; and
 - + The Provincial Roads Maintenance Grant.
- ✖ The Urban Settlements Grant should also be included.

COMMENTS ON SCHEDULE 4

- ✘ On page 38, under purpose of both Education and Health Infrastructure Grants include “...*optimise job creation opportunities through the employment of labour-intensive methodologies.*”
- ✘ On page 40, under purpose of the Provincial Roads Maintenance Grant include “...*optimise job creation opportunities through the employment of labour-intensive methodologies.*”
- ✘ On page 45, under purpose of the Human Settlements Development Grant include “...*optimise job creation opportunities through the employment of labour-intensive methodologies.*”

Note EPWP Guidelines only covers:

- + low-volume roads (typically less than 500 vehicles per day);
- + sidewalks and non-motorised transport infrastructure
- + stormwater drainage; and
- + trenching

COMMENTS ON EXPLANATORY MEMORANDUM

- ✖ On page 78, at the end of the first paragraph under *Changes to the conditional grant framework* include “*The grant also focuses on the application of labour-intensive construction methods in delivery to optimize job creation and skills development in terms of the EPWP Guidelines.*” Experience has shown that unless this is highlighted, the officials tend to ignore this requirement.

COMMENTS ON THE FRAMEWORKS

- ✖ To further entrench EPWP principles and job creation, the following should be included in the framework for the *Provincial Roads Maintenance Grant* on pages 145 and 146:-
 - + Under *Grant Purpose* include as the third bullet – “*To optimise job creation and skills development in terms of the EPWP Guidelines*”
 - + Under *Output* include as the seventh bullet – “*Number of EPWP jobs created and Full Time Equivalents (FTE’s) reported on the national DPW EPWP reporting system*”. This then links with the EPWP Incentive Grant and performance can be compared and measured across the country.
 - + Priority outcome(s) of government that this grant primary contributes to include – “*Outcome 4 : Decent employment through inclusive growth*”
 - + Under *Conditions* include – “*Provinces must report all projects via national DPW’s EPWP reporting system*” and in the seventh bullet after31 March 2011 include “*... and have complied with the EPWP Guidelines.....*”
 - + Under *Responsibilities of the transferring national officer and receiving officer* under the subheading

COMMENTS ON THE FRAMEWORKS

- + *Responsibilities of the national department include:-*
 - × *Support provinces to apply the EPWP Guidelines to project design*
 - × *Support provinces to report using the EPWP reporting systems*
 - × *Monitor the performance of provinces and report on quarterly progress against targets*
- + *Responsibilities of the provincial department include:-*
 - × *Report all projects to be taken into account when assessing performance into the EPWP reporting systems and update progress quarterly*
- × Similar amendment should be made in respect of the frameworks for the Education Infrastructure Grant (page 111), the Health Infrastructure Grant (page 126) and the Human Settlements Development Grant (page 134).

COMMENTS ON THE REPORTING TEMPLATES

- ✖ Format of Infrastructure Projects List for Provinces that receive the Education Infrastructure Grant, the Health Infrastructure Grant and the Provincial Roads Maintenance Grant – Appendix W7
 - + There is no EPWP budget but rather existing budgets are re-focused to create job opportunities. As such, the template should provide for the number of EPWP jobs opportunities and Full Time Equivalents(FTEs) to be created and reported on the EPWP MIS reporting system

CONCLUSIONS



OR



THANK YOU

- × Paul Theron
- × Cell 082 447 3421
- × Email ptheron@ingwenya.co.za
- × Postal Address P O Box 19594 Tecoma, 5214
- × Physical Address 4a Princes Road, Vincent,
East London