

**GAUTENG PROVINCIAL LEGISLATURE**

---

---

**ANNOUNCEMENTS,  
TABLINGS AND  
COMMITTEE REPORTS**

---

---

Friday, 11 March 2022

**ANNOUNCEMENTS**

none

**TABLINGS**

none

**COMMITTEE REPORTS**

- 1. The Chairperson of the Infrastructure Development Portfolio Committee, Hon. M G Modise, tabled the Committee's Oversight Report on the Detail of Vote 15 (Infrastructure Development) of the Gauteng Provincial Adjustment Appropriation Bill [G004-2021] for the 2021/2022 financial year, as attached:**



# GAUTENG

## LEGISLATURE

Your View ~ Our Vision

### INFRASTRUCTURE DEVELOPMENT PORTFOLIO COMMITTEE

#### OVERSIGHT REPORT ON DETAIL OF VOTE 15 – GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT AND PROPERTY MANAGEMENT PROVINCIAL ADJUSTMENT APPROPRIATION BILL FOR THE 2021/22FY

Committee Details		Department Details	
Name of Committee	Infrastructure Development Portfolio Committee and Property Management and Property Management	Name of Department	Gauteng Department of Infrastructure Development and Property Management
Which Financial Year	2021/22	Dept. Budget Vote Nr.	15
		Name of MEC	Hon. T Motara
Committee Approvals			
	Name	Signed	Date
Hon. Chairperson	Hon. M Modise		10 March 2022
Adoption and Tabling			
Date of Final Adoption		Scheduled date of House Tabling	
10 March 2022		15 March 2022	

[Infrastructure Development and Property Management Portfolio Committee Oversight Report on the Adjustment Appropriation Bill Vote 15 for the 2021/22 FY]

## TABLE OF CONTENT

### Contents

TABLE OF CONTENT .....	1
EXECUTIVE SUMMARY .....	3
INTRODUCTION .....	4
PROCESS FOLLOWED.....	4
OVERVIEW OF THE POLICY PRIORITIES.....	4
OVERSIGHT ON TECHNICAL PERFORMANCE.....	5
PROGRAMME INFORMATION .....	6
OVERSIGHT ON MEANINGFUL PUBLIC INVOLVEMENT .....	7
<b>FINDINGS, RECOMMENDATIONS AND IMPLICATIONS ON LAW MAKING</b>	
COMMITTEE CONCERNS.....	7
RECOMMENDATIONS .....	7
ACKNOWLEDGEMENTS .....	8
ADOPTION.....	8

## ABBREVIATIONS

Abbreviation	Full wording
APP	Annual Performance Plan
CAPEX	Capital Expenditure
EPWP	Expanded Public Works Programme
FY	Financial Year
NDP	National Development Plan
SMME	Small, Medium and Micro Enterprises

## EXECUTIVE SUMMARY

*[Infrastructure Development and Property Management Portfolio Committee Oversight Report on the Adjustment Appropriation Bill Vote 15 for the 2021/22 FY]*

The oversight role of the Infrastructure Development Portfolio Committee, as prescribed in the Standing Rules of the Gauteng Legislature, makes it imperative for the Committee to provide an analytical assessment of the state of the adjusted budget allocation to the Gauteng Department of Infrastructure Development and Property Management for the 2021/22 financial year.

The Committee noted that the Gauteng Department of Infrastructure Development and Property Management adjusted overall budget allocation was reduced from R3 260 931 000 to R3 249 020 000 for the year under review which translates to R11 911 000 which is 0,37% reduction. The Department also reported that the overall budget expenditure as at the beginning of March 2022 was at 90% and assured the Committee that by end of the 2021/22 FY the overall expenditure would be at 98% expenditure. The Committee will monitor progress on the expenditure of the Department at the end of the financial year.

The Committee noted that **Administration Programme** received a revised budget allocation of R468 108 000 from the budget allocation of R446 264 000 which translates to 4.89% increment. It is reported that this increment would be channelled towards compensation of employees.

**Public Works Programme** budget was also adjusted upward from R2 572 978 000 to R2 599 635 000, with an increment of 1,04% . As reported by the Department the increment would be channelled to compensation of employees and to fund Operation of leases. It was concerning to the Committee to note that the CAPEX budget was adjusted downwardly and yet there are many challenges experienced by the hospitals and clinics in terms of maintenance and rehabilitation.

**Expanded Public Works Programme** was decreased from R241 789 000 to R181 277 000, totalling to R60 512 000 which translates to -25.03% decrease.

The Department reported that a total budget of R58.4 million was surrendered to Gauteng Provincial Revenue due to delays in the implementation of projects because of COVID-19 lockdown restrictions.

## 1. INTRODUCTION

*[Infrastructure Development and Property Management Portfolio Committee Oversight Report on the Adjustment Appropriation Bill Vote 15 for the 2021/22 FY]*

The Committee's assessment of the Adjusted Budget of the Department of Infrastructure Development and Property Management of the 2021/22 FY seeks to verify whether the revised budget is in line with the revised APP, thus ensuring that the funds apportioned to the Gauteng Department of Infrastructure Development are used cost effectively.

## 2. PROCESS FOLLOWED

Vote 15 of the Schedule of the Provincial Appropriation Bill was formally referred by the Speaker, in terms of the Standing Rules 220 (2) of the Legislature to the Committee for consideration and reporting. During the virtual Committee meeting held on the 7<sup>th</sup> March 2022, the Committee Researcher made a presentation on the analysis of the Department's Adjusted Budget of the Vote 15 for the 2021/22 FY. The Department presented its adjusted Budget Vote report on the 8<sup>th</sup> March 2022 and responded satisfactorily to all questions. The Committee deliberated and adopted the Oversight Report on the Departmental Adjusted Appropriation Budget during the meeting held virtually on 10<sup>th</sup> March 2022 and tabled in the House for adoption on the 15<sup>th</sup> March 2022.

## 3. OVERVIEW OF THE POLICY PRIORITIES

**Departmental priorities and strategic objectives:** The Department's mandate is informed by National and Provincial priorities, which are outlined in the policies of both spheres of government.

**Nationally Priorities:** In his State of the Nation Address on 11<sup>st</sup> February 2021, the President of the Republic of South Africa, His Excellency C Ramaphosa indicated that South Africa is faced with high levels of unemployment; the youth is the most hit by lack of unemployment. He also outlined that the public sector has a responsibility to stimulate job creation; both through its policies and through direct job creation opportunities.

The Minister of Finance, Tito Mboweni during his **National Budget** speech of the 2021/22 FY on the 24<sup>th</sup> February 2021 indicated that the NDP provides a foundation for inclusive growth, it requires cooperation between the state and the private sector to ensure that there is mixed economy, where the quality of education is improved and where investment in infrastructure needs to be enhanced and building a state capacity, that will help in the creation of job opportunities.

**Provincially:** In his State of the Province Address of the 2021/22 FY on the 23<sup>rd</sup> February 2021, the Premier of the province, Honourable David Makhura indicated that the infrastructure investment enables the province to achieve multiple objectives such as improving the quality of life of Gauteng residents, unlocking private sector investment, broadening empowerment, and creating jobs. It is also through infrastructure development and investment that the province can transform the spatial settlement patterns and economic geography in the province.

In addition, he indicated that the province is using infrastructure projects, to support township enterprises. The Premier also referred to improving state of health in the province also to support township enterprises as well as Black and women-owned businesses and township-based SMMEs, subcontracted to various new infrastructure projects.

*[Infrastructure Development and Property Management Portfolio Committee Oversight Report on the Adjustment Appropriation Bill Vote 15 for the 2021/22 FY]*

**Departmental priorities:** During the 2021/22 FY, the Department of Infrastructure Development and Property Management indicated that it would remain focused on an optimized public-owned fixed property portfolio, efficient and effective delivery of SMART public infrastructure”, the department will also ensure the:

- functional, reliable, and compliant infrastructure
- increased contribution of infrastructure spends to socio-economic development.
- poverty relief and improved employability of EPWP beneficiaries, and
- capable, ethical, and developmental organization.

The Department reported that it also aims to play a role in the modernization of the economy and the public service, while it also radically transforms the economy and accelerate social transformation.

The Committee will continue to monitor the performance of the Department through IYM with a view to ensure that the resources allocated are utilized economically, effectively, and efficiently.

#### 4. OVERSIGHT ON TECHNICAL PERFORMANCE

##### COMMITTEE'S ASSESSMENT OF BUDGET VOTE 15

###### 4.1 Summary of receipts

The Committee observed that the adjusted budget allocation for the Department in the current FY seem to be in line with the National and Provincial priorities.

Summary of adjusted payments and estimates for the Department in the 2021/22 financial year.

Programme	Main Appropriation R'000	Adjusted budget R'000	Variance R'000	Percentage change (%)
1. Administration	446 264	468 108	21 844	4.89
2. Public Works	2 572 878	2 599 635	26 757	1.04
3. Expanded Public Works Programme	241 789	181 277	(60 512)	-25.03
<b>Total</b>	<b>3 260 931</b>	<b>3 249 020</b>	<b>(11 911)</b>	<b>-0,37</b>

Source Gauteng Provincial Adjustment Bill, 2021

#### 5. PROGRAMME INFORMATION

[Infrastructure Development and Property Management Portfolio Committee Oversight Report on the Adjustment Appropriation Bill Vote 15 for the 2021/22 FY]

## **5.1 PROGRAMME 1: ADMINISTRATION**

The Committee noted and acknowledged that the budget for Programme 1 was adjusted upwardly from R446 264 000 to R468 108 000 which translates to 4.89% increase. As at March 2022, 70% of the budget was spent. The increase was necessitated by the compensation of employee's, machinery and equipment and legal fees. The Committee is of the view that the Department is indeed experiencing challenges in terms of planning because it failed to plan for activities to compensate for employees in the beginning of the FY. The Committee further noted that other portion of the budget will be channeled to legal fees and to litigations.

## **5.2 PROGRAMME 2: PUBLIC WORKS**

The Committee noted that this programmes budget was also adjusted upwardly, from R2 572 978 000 to R2 599 635 000, which translates to 1.04 % increment. The Committee further noted that the increased budget would be channelled to fund Operating Leases, such as leases for the renting out office accommodating for the Client Departments. The budget spent as at the beginning of March 2022 was 95%.

The Department reported that the initial budget allocated for the maintenance, rehabilitation and upgrading of GPG office accommodation in Johannesburg was R171 million, was adjusted downwardly to R112.8 million to align with the planning progress made on the Kopanong Precinct and Occupational Health & Safety (OHS) Refurbishment projects which is currently underperforming. This was concerning to the Committee since under this programme it is where there is high number of project delays and yet the budget has been shifted.

## **5.3 PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME (EPWP)**

The Committee noted that this Programme's budget was adjusted downwardly from R241 789 000 to R181 277 000 translating to 0,37% decrease. A total budget of R48 601 000 was shifted from this programme to Programmes 1 and 2. Concerning to the Committee was that this Programme's objective is to provide employment and to build skills and yet its funds were shifted to other programmes. The Committee was also concerned that this programme receives less budget in all the FYs and yet targets for employment were never achieved even in the previous FYs. The Committee further noted with concern that the reason provided by the Department for shifting of funds from this programme was related to COVID 19 and yet even before the pandemic the Department struggled to achieve targets related to training of the participants. The expenditure as at March 2022 was at 71%.

## **6. OVERSIGHT ON MEANINGFUL PUBLIC INVOLVEMENT**



As required in terms of Section (118) (1a) of the Constitution, Act 108, of 1996, a provincial legislature must facilitate public involvement in the legislative and other processes of the legislature and its Committees. No public involvement was conducted during this period due to short notice provided for the Committee to conduct its work.

## **7. FINDINGS, RECOMMENDATIONS, AND IMPLICATIONS ON LAW MAKING**

### **7.1 Committee Findings / Concerns**

The Committee was concerned that:

7.1.1 Programme 3 budget was revised downwardly and yet there is high number of unemployment in the province.

7.1.2 The budget allocation for CAPEX was reduced.

### **7.2 Recommendations**

7.2.1 The Department to ensure that in the next financial year employment and skills development targets in Programme 3 are achieved to avoid shifting of funds to other programmes. A report on measures to be implemented should be submitted to the Committee by **Friday 22 April 2022**.

7.2.2 The Department to ensure that CAPEX budget is utilised in the next FY to avoid project delays and shifting of funds and report to the Committee by **Friday 22 April 2022**.

## **8. ACKNOWLEDGEMENTS**

*[Infrastructure Development and Property Management Portfolio Committee Oversight Report on the Adjustment Appropriation Bill Vote 15 for the 2021/22 FY]*

The Chairperson of Portfolio Committee on Infrastructure Development, Honourable Mpho Gift Modise would like to thank MEC, T Motara, Head of the Department and the entire Departments' Executives for their efforts in the consideration of this report.

The Chairperson further appreciates the diligent deliberations of Honourable Members T Magagula, K Diale, T Ndlovu, SM Letsie N Dejager, A Fuchs, K Hoffman, M Mofama and C Mabala.

The Committee Chairperson would also like to thank T Bodibe, M Tshabalala, K Mdlalose, T Mulibana, T Khumalo, T Mulibana N Mbonane, L Ncume and K Mphirime.

## 9. ADOPTION

In accordance with Rule 117 (2)(c) read with Rule 164 the Portfolio Committee on Infrastructure Development and Property Management; present before the House the Oversight Report on the Department of Infrastructure Development **Provincial Adjustment Appropriation Bill** for the 2021/22 financial year for consideration and adoption.