



KWAZULU-NATAL LEGISLATURE

DRAFT MINUTES OF PUBLIC WORKS PORTFOLIO COMMITTEE VIRTUAL MEETING HELD ON THURSDAY, 23 APRIL 2020 AT 13H00

ATTENDANCE

COMMITTEE MEMBERS : Hon. Frazer, MC (Chairperson)
Hon. Cele, ZLI
Hon. Duma, SA
Hon. Mazibuko, MJ
Hon. Meyer, LM
Hon. Mpayipheli, N
Hon. Mshengu, SW
Hon. Mthethwa, TP
Hon. Nxumalo, JS
Hon. Thakur-Rajbansi, S
Hon. Zuma, BM

DEPARTMENTAL EXECUTIVE AND OFFICIALS

MEC: Hon. NP Nkonyeni
HOD: Dr GG Sharpley
CFO: Mr J Redfern
Acting DDG: Infrastructure – Ms A Khan
Chief Director: Infrastructure – Mr S. Majola

KZN LEGISLATURE OFFICIALS: Phakathi, T (Recording Coordinator)
Hlongwa, W
Luthuli, N
Mthuli, S

KZN LEGISLATURE OFFICIALS: Nkosi, SN

Nsele, S

Nxumalo, S

Pillay, P

Phakathi, Z

Valentine, T

Ziqubu, T

1. OPENING AND WELCOME

The Chairperson opened the meeting by welcoming members of portfolio committee and the Departmental Executive.

2. APOLOGIES

There were no apologies. All members of the Committee were present at the start of the meeting.

3. CONSTITUTION OF THE MEETING

The meeting was properly constituted at the start.

4. ADOPTION OF THE AGENDA

Honourable BM Zuma moved for the adoption of the agenda, Honourable MJ Mazibuko seconded.

5. REMARKS BY THE MEC

The MEC expressed her gratitude to be invited to appear before the portfolio committee as the Department of Public Works. She acknowledged the gradual transformation of holding virtual meetings which enables changes in the workplace in preparation for the fourth Industrial Revolution.

The Department of Public Works participate in the provincial government activities that are aiming at flattening the curve of Covid-19 pandemic in Kwa-Zulu Natal. The Department forms part of a Provincial Command Council that has since been established which include amongst others; all Members of Executive Council (MEC's) and Head of Departments (HOD's). The Department of Public Works adhere to any instruction from the Department of Health in relation to Covid-19 pandemic for example; when facilities and quarantine sites are needed. Whilst the Department is involved in the provincial government activities that seek to combat the spread of Covid-19 pandemic however, the Department is committed to limit the expenditure particularly in relation to procurement.

The MEC alluded on the progress of the provincial government Precinct and the advise of the Legislature was taken into consideration in terms of layout and design. Whilst the MEC acknowledged constructive criticism pertaining to the turnaround time for storm damaged schools contrary; the turnaround time for the recruitment of employees has improved and have been reduced from 6 to 4 months. The Department is committed in getting a Clean Audit, they are working on resolving issues that were addressed by the Auditor General (AG).

5.1 Discussion/comments

Although the members of the committee were encouraged by the work that is done by the Department and the efforts by the Department not to abuse funding allocated to other programmes however, they requested clarity on various issues such as; whether the department has been able to establish the quarantine and isolation sites for Covid-19 infected people as expected and pronounced by the President Cyril Ramaphosa. Furthermore, the committee requested a detailed information pertaining the number of facilities and hospitals that would be utilized specifically for the Covid-19 pandemic as well as statistics that suggest that no costs have been escalated, the Department's spending is limited on Covid-19 related procurement items. A concern was raised on the reports about the closure of some hospitals due to Covid-19 pandemic. The committee then requested the Department to submit in writing the concerns that were raised by the AG to enable the committee to do its oversight work diligently. The Department was requested to attend seriously to the issue of Storm Damaged Schools since the demand of facilities in relation to Covid-19 pandemic.

Response by the MEC

The MEC clarified the issue of quarantine and isolation sites for Covid-19 pandemic and provided details of health facilities that have been identified for such. Amongst others she mentioned Clairwood, Wentworth, Dundee, St Francis hospitals. It is worth noting that the Department of Public Works adhere to the instructions that are given by the client Departments who are also responsible for the payment for example, all hospital that would be utilized for Covid-19 pandemic are being renovated as per client's (dept. of health) specifications. The department of Public Works has identified hotels, Bed &

Breakfast to be utilized as additional facilities to Covid-19 pandemic. The MEC for Health is the appropriate person to be asked about the closure of hospitals. She further alluded that the Storm Damaged schools would be attended to upon receipt of request or directive from the Department of Education since the Department of Public Works is an implementer.

6. Minutes of the previous meeting: 03 December 2019

Minutes of the previous meeting that was held on 3 December 2019 were discussed and adopted. Hon. ZLI Cele moved for the adoption of the minutes and Hon. LM Meyer seconded.

7. Matters Arising from the previous meeting: 03 December 2019

7.1 GIAMA

Ms A. Khan outlined the concept of Government Immovable Asset Management Act (GIAMA). She explained that GIAMA was enacted to ensure that there was a uniform framework in Government Immovable Assets such as the property that is owned by the Government, it includes any rights in property and excludes any rights in terms of minerals and petroleum resources development Act. Previously, different user Departments were responsible for managing their own individual assets. GIAMA applies to all organs of state being National and Provincial Departments however, excludes Municipalities.

GIAMA refers to the Premier or the MEC who has been designated by the Premier of the province as the provincial custodian. In KwaZulu-Natal, the MEC for Public Works is the custodian of GIAMA as designated in terms of KwaZulu-Natal Land Administration Act of 2014. Nationally, it is the national Minister of Public Works however, in relation to Immovable Assets for Land Reform then it would be the Minister of Land Affairs. Public Works as a custodian is also responsible for advising the provincial Treasury about the Immovable Asset Management Plans of the user Department and to ensure that in every 5 years cycle Immovable Assets are assessed and its viability for service delivery. She further explained the role of the custodian. GIAMA refers to the users as the provincial Departments that use or intend to use Immovable Assets to further their service delivery objectives. Some of the main principles of GIAMA is that Immovable Assets which belong

to the State need to be utilized efficiently for the purposes of the State otherwise they will be rendered as surplus.

7.2 Consultants

Mr S. Majola reported that The Department of Public works have reviewed its culture of relying on Consultants, the current projects that the Department is engaged on such as the provincial government Precinct and Covid-19 pandemic programmes are using 10 Key Approach. This suggest that all new projects will be implemented through the 10 Key Approach whereas the Departmental projects will be done by the internal professionals taking into consideration that the Department has appointed 17 professionals between November and December 2019 and 61 professional candidates that currently used to implement projects under the supervision of registered professionals within the Department. The HOD alluded that the Department's internal professionals are being used to design the Precinct which is a huge saving for the scale of the project.

7.2.1 Discussion/Comments

GIAMA: a concern was raised on whether GIAMA personnel do check if government buildings such as police stations are maintained. Furthermore, whether under GIAMA Public Works has a responsibility for designing buildings for Public Works or for Users. A suggestion was made that Department provide the Committee with a report on the functions for GIAMA such as reallocation, donation and surrendering of buildings or may be lease. A workshop on GIAMA which will include other spheres of government was suggested in order to address and prevent confusion of roles and responsibilities. A workshop on Infrastructure Delivery Management System (IDMS) was also suggested for the members of the Committee in order to gain insight on the management of government/departmental projects thus play effective oversight role. It is believed that this kind of workshop will assist in addressing inequalities and imbalances within service providers.

Consultants: It was suggested that the Department should provide the Committee with a report detailing current Consultants that are being used in order to link it with the bursaries and the skills gap with an aim to close that gap through transferring of skills.

Although the Department is committed to spending the budget cautiously, which was highly commended for by the Committee and its effort which is evident particularly; the role that the Department played since the President declared national disaster on Covid-19 pandemic. However; whilst Public Finance Management Act (PFMA) is being recognized that it requires compliance by government Departments, it was suggested that the Department should not compromise people's lives in order to limit spending of funds, rather be champions of saving lives from Covid-19 pandemic.

Response by the HOD

Responding to the state of government buildings, Dr Sharpley explained that Accounting Officers where government buildings are located would be the responsible personnel in ensuring that government property is well maintained, this does not only in GIAMA but to Health and Safety as well. The HOD responded that it would be difficult for the Department to eliminate the usage of Consultants due to the skills that are required rather reduce the dependency on Consultants. The Department noticed that previously, the Consulting fees were excessively high as per project value. In terms of IDMS, Mr Majola explained that the Department has already employed the service provider who has already started on some activities.

7.3 Progress on AG issues

The Chief Financial Officer, Mr J. Redfern reported that there were two issues that the Department was in disagreement with the AG when reporting at the Committee Workshop. The disagreement was pertaining two qualification issues which the Department had received qualification, the first one was the Development of Intangible of Capital Assets and the working progress that was disclosed by the Department in the financial statement. The Department of Public Works have since met with the Treasury Financial Reporting Task Team to review the disclosure that were making in the 2019/20 Annual Financial Statement to ensure that the disclosure is in line with the modified cash standard. Indeed the Treasury reviewed the disclosure and was applied accordingly.

The second item was Immovable Tangible Capital Asset in terms of the Asset Register which has since been adjusted as per Auditor General's recommendation. The Department have gone through all Asset Register to ensure that they comply with the modified cash standard. The Department is committed not to receive repeat findings from AG in the next financial year.

7.4 Newcastle Oversight visit

The Chairperson expressed disappointment on behalf of the committee that the Department did not tender formal apologies during the Oversight Visit at Amajuba District on 11 February 2020. However, the Chairperson explained that the matter was communicated to the MEC and the HOD and who have since apologized. The MEC personally apologized again at the Committee meeting and committed that it would not happen again. Members of the Committee accepted the apology from the MEC. A team of Researchers; Ms Nokulunga Luthuli and Mr Thandanani Ziqubu supervised by the Senior Researcher, Ms S. Mthuli were assigned by the Committee to do a research on the three projects at Amajuba District Municipality. The Committee conducted Oversight Visit on 11 February 2020 at Panorama Combined School, Sizanani Secondary School and Osizweni Service Centre. Ms S. Mthuli presented the report to the Committee.

The Chairperson emphasized that in the next visit to Amajuba District, Department of Education should be invited so that they account to the issues of concern.

9. New Matters: Departmental Reports

9.1 2020/2021 Budget

The Chairperson reminded the Committee that although the budget was adopted however; it was important for the Department to present 2020/2021 Budget in preparation for the Budget Hearing tomorrow, on Friday 24 April 2020.

The CFO provided the committee with a brief overview on the status of the budget for the Department. He provided details per programme and the baseline as per budget allocation on the 2020/2021 Budget. He presented on the three programmes of the Department being **Administration** with budget allocation of R468 290 million – it was reported that the main objective is to provide strategic leadership and management,

provide support to the Executive Council, ensure Monitoring & Evaluation are in place and to render sound financial management, risk management and supply chain management amongst others.

Property Management with budget allocation of R800 299 million and Programme three being **Provision of buildings, structures and equipment** with the total budget of R509 820 million. The CFO also alluded to the budget spent on behalf of provincial departments in terms of the infrastructure based on the presentation that was provided to Members of the Committee.

Responding to the comment that was made about the details of skills development that the Department is engaged in, the HOD committed to submit a list on bursary scheme and a report on what skills development the Department is doing.

Comments

There was a suggestion that the Department should include funds for dilapidated buildings in its future budget. The issue of underspending by the Department was emphasized by the Committee. The Committee was advised to take serious the issue of underspending and avoid it, also, to ensure that the budget presented is aligned with the green book when tabling it at the Budget Hearing tomorrow. The committee anticipated that the budget presented have a possibility of being disturbed or interfered with due to Covid-19 pandemic demands.

The Committee welcomed the 2020/21 budget as presented by the CFO. The ANC, IFP, DA, EFF and the Minority Front supported the 2020/21 budget for the Department of Public Works. It will be presented by the Department at the budget hearing for Vote 14 tomorrow.

9.2 Covid-19 Plan

The HOD presented the Covid-19 plan to the Committee and the Department's involvement in the provincial activities of Covid-19 pandemic. Highlighting the key activities for the Department the HOD mentioned that the department is functioning, the Executive is at work supporting the MEC. All SMS members are on standby working

virtually from home however, all expenditure and payments are processed as normal. There has been a slight delay on the side of the Department of Health in terms of stock because of the quantity from various Departments otherwise the Department of Public Works is hoping to get its stock very soon to ensure that there is Personal Protective Equipment (PPE's) for all staff members. Although the Infrastructure development has stopped, the Consultants are on duty ensuring that there is no backlog in reports when construction work resume and key activities are attended to. The Department is using District Development Model on Operation Sukuma Sakhe (OSS), the MEC for Public Works, Hon. NP Nkonyeni is in Ilembe and there is a number of activities that are happening there. Regard Communication the Department is creating awareness, there are videos of the MEC that have come out informing the public.

The Department is finalizing temporal facilities that would be rented by the Department of Health. A task team was formed by the Departments of Public Works and Health, to look at the relationship and deadlines that are required for Covid-19 pandemic.

10. Discussion

Responding to a question about the separate budget for emergencies, the HOD alluded that while the Department of Public Works do not have specific budget on Covid-19 however, as an implementing agency, client departments are responsible for their own costs. Moreover, the provincial Treasury instructed all departments to create a line item for Covid-19 so that any Covid-19 expenditure go to that line item.

The Chairperson thanked the Department for the availability to attend the meeting. The meeting continued with the discussion and adoption of Committee Reports.

11. Committee Matters

11.1 Focused Intervention Study (FIS)

The Senior Researcher, Ms S. Mthuli presented the Focused Intervention Study (FIS) report to the Committee which she pursued from the last financial year. The report was discussed and adopted. Honourable S. Thakur-Rajbansi moved for the adoption of the Committee Focused Intervention Study (FIS) report with the amendments: to increase sample size and attach the questionnaire to the report, Honourable SW Mshengu seconded.

12. Adoption of Reports

12.1 Committee Workshop: 4.10.19 & 12.11.19

Honourable S. Thakur-Rajbansi moved for the adoption of the report for the Committee Workshop, Honourable LM Meyer seconded.

12.2 Oversight Visit: Umkhanyakude District – 03.12.19

Honourable LM Meyer moved for the adoption of the Committee report for the Committee Oversight visit at Umkhanyakude District Municipality, Honourable TP Mthethwa seconded.

12.2.1 Oversight Visit: Amajuba District – 11.02.20

Honourable SA Duma moved for the adoption of the Committee report for the Committee Oversight visit at Amajuba District Municipality, Honourable ZLI Cele seconded.

12.3 Stakeholders Meeting – 11.12.19

Honourable BM Zuma moved for the adoption of the Committee report for the Committee Stakeholders Meeting held at Umgungundlovu District Municipality, Honourable TP Mthethwa seconded.

13. Sub-Committee on Study Tours

The sub-committee on Study Tour was advised that all processes have been put on hold due to Covid-19 pandemic. Since the committee does not have a designated Researcher, the Chairperson requested services of a Researcher who will assist the committee with Study Tour preparations from the head of Research Unit, Mr Zipho Phakathi. Mr Phakathi recommended Ms S. Mthuli to assist the committee and Ms. Mthuli agreed.

The Chairperson requested the sub-committee to meet with Ms S. Mthuli to discuss the way forward and report back to the committee at the next portfolio committee meeting.

14. Closure

There being no further discussion, the Chairperson declared the meeting adjourned at 16H00.

.....

CHAIRPERSON:
HON. MC FRAZER

.....

DATE