

REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC WORKS, ROADS AND TRANSPORT AND COMMUNITY SAFETY, SECURITY AND LIAISON

3rd QUARTERLY PERFORMANCE REPORT FOR 2016/2017 FINANCIAL YEAR OF THE DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT (DPWRT)

1. INTRODUCTION

The Portfolio Committee on **Public Works, Roads and Transport; Community Safety, Security and Liaison** (the Committee) has a Constitutional mandate, in terms of Section 114(2)(b) of the Constitution of the Republic of South Africa (Act 108 of 1996) read with rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature (the Rules), to oversee the performance of the Department of Public Works, Roads and Transport (the department) and hold it accountable through various measures.

The consideration and scrutiny of the 3rd Quarterly Performance Report for 2016/2017 of the department is the tool the Committee used to determine whether the department had proper plans and programmes to realise its strategic objectives and ultimately to deliver basic services to the citizens of Mpumalanga.

The Committee tables this report, in accordance with the provisions of the Rules and Orders of the Mpumalanga Provincial Legislature, as an account of its oversight work done for consideration and adoption by the house as part of monitoring the budget allocated to the department for the 2016/2017 financial year.

2. METHOD OF WORK

The Speaker of the Legislature referred the 3rd Quarterly Performance Report for 2016/2017 to the Committee for consideration, deliberations and report back to the House, in accordance with Rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature.

The Committee then met with the department on 21 February 2017 and deliberated on the department's 3rd quarterly Performance Report for 2016/2017 financial year. The Committee subsequently met and considered the draft Committee Report of the 2016/2017 Departmental 3rd Quarterly report on 29 March 2017.

3. BRIEF OUTLINE ON STRATEGIC GOALS AND OBJECTIVES

3.1. Outcome Oriented Goals

The department is directly linked to **Outcome 6** which states "an efficient, competitive and responsive economic infrastructure network". **Outcome 6** is linked to eight outputs, namely:

- Output 1 Improving competition and regulation
- Output 2 Ensure reliable generation, distribution and transmission of electricity
- Output 3 Ensure the maintenance and strategic expansion of our road and rail network and the operational efficiency, capacity and competitiveness of our sea ports
- Output 4 Maintenance and supply of availability of our bulk water infrastructure
- Output 5 Communication and information technology
- Output 6 Develop a set of operational indicators for each segment

4. OBSERVATIONS AND COMMENTS

The Committee observed that out **35** targets planned for the 3rd quarter of the 2016/17 financial year, the department only managed to achieve **24** planned targets or **68.6%** leaving a total of **11** targets unachieved i.e. **31.4%**.

Poor planning in relation to implementation of targets in the APP, as well as poor planning for infrastructure projects implementation was observed to be one of the key challenges of the department.

The Committee noted that the department's main allocated budget was amounting to **R 4 647 031 000.00** for the 2016/17 financial year and that it was adjusted to a total amount of **R 4 599 828 000.00** due to a reduction by an amount totaling **R 47 203 000.00** from the initial allocated budget. It was noted that at the end of the 3rd quarter of the 2016/17, the actual expenditure of the department was an amount of **R 3 410 738 000.00** which translates to **74.1%**.

The Committee noted that the department did not implement the commitments made by the Committee during the TLP held in 2015/16 in Nkomazi Local Municipality.

5. OVERVIEW BY THE MEC

The MEC in her overview presentation appreciated the opportunity afforded to the department to appear before the committee. She indicated that the department values participation in the committee because it enriches the department's knowledge, expertise, the understanding of its constitutional mandate and empowers them with methods and strategies of delivering on the mandate. The MEC further pointed out the need for government to balance competing needs from the communities with limited government resources, which sometimes pose a challenge in meeting their APP targets.

5.1. Programme 1: Administration

Table 1: Planned targets & achieved targets vs spending

Sub-programme	Performance Indicator	Planned	Achieved	Deviation	Spending Pattern
	% of Invoice received & paid within 30 days	100%	100%	-	74.9%
	Total amount of revenue collected	R5.7 million	R 5.9 million	R200 000	
	Value of infrastructure contracts awarded to HDI contractors expressed as a percentage of the total value of contracts awarded	60%	82.6%	22.6%	
	Value of infrastructure contracts awarded to WOE's expressed as a percentage of the total value of contracts awarded	35%	44.6%	9.6%	

Table 1.1 Financial performance of sub-programme 1 for the 3rd quarter

	Allocated Budget 2016/17	Adjustment	Final Adjusted Budget	Actual to the end of December 2016	Outcome as % Budget
Sub-Programme	R Thousands				
Office of MEC	8 301	-	8 301	4 873	58.7%
Management of the Department	5 913	-	5 913	2 737	46.3%
Corporate Support	235 712	(3 350)	232 362	177 152	76.2%
TOTAL	249 926	(3 350)	246 576	184 762	74.9%

Economic Classification:

Compensation of employees	174 146	(5 021)	169 125	125 007	73.9%
Goods and services	72 279	1 267	73 546	57 363	78%
Total transfers and subsidies	2 024	-	2 024	711	35.1%
Payments for capital assets	1 477	404	1 881	1 681	89.4%
Total	249 926	(3 350)	246 576	184 762	74.9%

Table 1 above seeks to illustrate the planned and achieved targets against spending of the department, whereby the programme had four (4) planned performance indicators for the 3rd quarter and they managed to achieve all planned targets.

In terms of financial performance, the department spent the final adjusted budget amounting to **R 184 762 000.00** for programme 1 translating to **74.9%**. According to table 1.1 above on economic classification, the high spending contributor was on payment of capital assets which was at **89.4%**, whereby the department indicated that it was as a result of a once off payment for transport assets to the value of R1.1 million. The same amounts for transport assets were also paid in the second quarter at 1.1million. The low spending contributor is on transfer and subsidies at a spending of 35.1% and the department indicated that the reasons due to leave gratuity and injury on duty which were unforeseen and only paid as and when they occurred.

The Committee requested the department to share the details with regards to the transport assets that had cost them an amount of R 2.2 million during 2nd and 3rd quarters respectively. The department explained that this was due to a pool of vehicles they had procured to the value of R1.1 Million which was paid for in the 2nd quarter (July 2016), the vehicles are used for VIP purposes. Further the expenditure was incurred only once but is reflected in the 2nd and 3rd quarter reports since it is accumulative report.

5.2 Programme 2: Public Works Infrastructure

Table 2: Planned and achieved targets vs spending

Sub-programme	Client Department	Planned	Achieved	Deviation	Spending Patten
Design No of infrastructure designs ready for tender	Total	2	0	(2)	59.8%
	DoE	1	0	(1)	
	Provincial Legislature	1	0	(1)	
Construction No of capital infrastructure projects completed	Total	280	3	(277)	74%
	DoE	274	2	(272)	
	DoH	1	0	(1)	
	DSD	2	0	(2)	
	DCSR	2	0	(2)	
	DCSSL	1	1	None	
No of capital infrastructure projects	Total	280	3	(277)	
	DoE	274	2	(272)	

completed within agreed time period	DoH	1	0	(1)		
	DSD	2	0	(2)		
	DCSR	2	0	(2)		
	DCSSL	1	1	None		
No of capital infrastructure projects completed within agreed budget	Total	280	3	(277)		
	DoE	274	2	(272)		
	DSD	1	0	(1)		
	DoH	2	0	(2)		
	DCSR	2	0	(2)		
	DCSSL	1	1	None		
Maintenance Public Works						51.7%
Property Management						
No of immovable assets verified in the Assets register(IAR)		150	150	-		84.9%
No of conditional assessments conducted on state-owned buildings		30	26	(16)		
No of kilowatts saved to reduce energy usage for building portfolio		8 0000 000	2 235 250	(5 764 750)		
Number of kilolitres saved to reduce water usage for building portfolio		1 000	0	(1000)		

Table 2.1 Financial performance of sub-programme 2 for the 3rd quarter

R Thousands	Allocated Budget 2016/17	Adjustment	Final Adjusted budget	Actual to the end of December 2016	Outcome as % Budget
Sub-Programme					
Programme Support	4 088	-	4 088	3 023	73.9%
Design Public Works	79 929	(46 415)	33 514	20 048	59.8%
Construction Public Works	24 626	-	24 626	18 223	74%
Maintenance Public Works	27 370	-	27 370	14 141	51.7%
Property Management	698221	(54 771)	643 450	546 049	84.9%
TOTAL	834 234	(101 186)	733 048	601 484	82.1%

Economic Classification:

Compensation of employees	299 374	(10 000)	289 374	205 664	71.1%
Goods and services	402 019	(109 368)	292 651	236 852	80.9%
Total transfers and subsidies	131 048	88	131 136	153 368	117%
Payments for capital assets	1 793	18 094	19 887	5 600	28.2%
Total	834 234	(101 186)	733 048	601 484	82.1%

Table 2 above seeks to illustrate the planned and achieved targets against the spending of the department, whereby the programme has 8 performance indicators and the department managed to achieve 1 which translates to 12.5% and failed to achieve 7 performance indicators for the 3rd quarter. Initially the department had been allocated a budget of R 834 234 000.00 for programme 2 in the 2016/17 financial year which was adjusted to a final budget of R 733 048.00. The adjustment resulted into a reduction of the budget by R 101 186 000.00. Out of the total allocated budget the department has managed to utilise an amount of R 601 484 000.00 which translate to 82.1% for the 3rd quarter for the 2016/17 financial year.

Again in programme 2 there is an indication of a high spending on transfers and subsidies at a spending of 117%, this was due to a payment of R 22.3 million for municipal rates, taxes and social benefits (households). The department indicated that the over expenditure was influenced by **the rates and taxes of properties which were in arrears and social benefits due to gratuities paid following service terminations**. According to the financial performance report, the department projects to over – spent its final adjusted budget by R 22 321 000.00 at the end of the financial year 2016/17. *However when zooming into the sub-programmes, the following was noted with regard to planned targets and spending performance:*

- **Design**

The department did not achieve its planned targets for the sub-programme design. It had planned to have 02 designs ready for tender in the 3rd quarter but no planned designs are said to have been achieved by the department leaving the balance of 02 designs unachieved. The department spent its budget for the sub programme design at 59.8% i.e. a spending of R 20 048 000.00. There are 02 designs not achieved as planned and the department indicated the reason for deviation being non availability of suitable site for a deaf institute and parliamentary village.

- **Construction**

The department planned to construct 280 building infrastructure for client department in the 3rd quarter of the 2016/17 financial year and only 03 building infrastructure were achieved. There are 277 projects not constructed as planned and the department indicated the following reasons-:

Department of Education (planned 274 and only achieved 02)

- 9 projects were cancelled since the schools already have functional toilets – Budgets were redirected to other identified projects.
- 163 projects were deferred to 2017/18 financial year due to budget constraints.
- 4 projects i.e. Loti, Lubombo, Dlamadoda and Catfulani schools electrical upgrades and repairs - these projects were put on hold and budgets were redirected.
- 5 projects i.e. Saringwa, Hlanganani, Mavimbela, Sizisizwe and Inyeti Schools – These schools were duplicates on the plan (they have already been completed)

The Committee requested the department to explain why the department planned 280 targets for the 3rd quarter without proper verifications, because 164 projects were deferred to 2017/18 whilst 13 projects were put on hold as its budget was redirected and 5 projects were erroneously included in the department's APP for the 2016/17 financial year. The department reported that the total targets of 280 projects were originally planned for completion by the end of the 3rd quarter. Also the numbers were informed by the preliminary project cost and scope of works confirmed at that time. On finalization of all design and costing requirements by the Professional Service Providers, the aggregated project cost exceeded the available budget for the financial year hence the decision to reprioritize and defer projects to outer financial years.

The Committee wanted the department to clarify whether it reviewed its planned target vs achieved targets prior to submitting their APP for tabling, because this target is a duplicate but the department has planned it and budgeted for it. The department reported that it does review its planned targets, however, current events has shown a need to intensify review processes with client departments in order to prevent such mistakes in the future. Further the department was reviewing all its plans for the projects that will be implemented in the 2017/18 financial year.

- 88 projects were planned for completion by 30 December 2016 but were behind schedule.

The Committee requested the department to indicate the status quo with regard to the 88 projects as at the end of January 2017. The department stated that to date, 63 out of the 88 projects are complete and the balances of 25 projects are planned for completion by the end of the 2016/17 financial year.

- 3 projects i.e. Mahlale, Senethemba and Khunjuliwe Secondary School commenced later than planned and could not be completed on the original planned dates

Department of Health (planned 1 and achieved 0)

The Committee noted that department was reporting that the Marite Clinic project was indicated as delayed due to late commencement of works by the contractor after a period of 2 months of site handover.

The Committee requested the department to explain why did it took so long to act against the contractor who has been handed a project to deliver but failed. The department reported that the contractor's appointment was initially terminated by the department; then on appeal with a commitment to complete the project on the original completion date of 23 April 2017, the department considered the request.

Furthermore, the Committee wanted the department to explain what are the costs incurred so far by the department towards the contractor. The department stated that an amount of R288 213.26 has been paid to the contractor.

The Committee also wanted to know if there are other projects being implemented by the contractor other than the Marite clinic. The department reported that the contractor is not engaged in any other project with the department.

Department of Social Development (planned 2 and achieved 0)

The department reported that Rooikopen ECD Center in Lekwa Municipality was withdrawn from the 2016/17 plan and that the Ogies ECD Center in Emalahleni Municipality was behind the schedule due to late appointment of an electrical contractor; late payment resulting from non-compliance to CSD and late delivery of materials.

Department of Culture, Sport and Recreation (planned 2 and achieved 0)

It was reported that the Boekenhouthoek and Verena libraries were behind the schedule due to community unrests, cash flow constants, dispute on contract agreement between the main and sub-contractor and slow performance of works.

- **Department of Community Safety, Security and Liaison (Planned 1 and achieved 1)**

- **Property Management**

The department planned 4 targets for the 3rd quarter but only 1 was achieved at a spending of 84.9%. The following targets were not achieved

The Committee requested the department to explain what happened to the budget allocated to the other three unachieved projects. The department reported that the projects commenced in the third quarter but the expenditure will be incurred in the fourth quarter.

- ✓ **Number of condition assessment of state-owned building**

The reason for deviation given by the department is that there is mentorship being provided for the pilot projects for practical training to conduct condition assessment. The department indicated that this target will be achieved in the 4th quarter of the financial year 2016/17.

- ✓ **Number of kilowatts saved to reduce energy usage for building portfolio**

The reason for deviation provided indicates that there was delay in the delivery and installation of meters. The department indicates that installation will commence in the 4th quarter of 2016/17.

✓ **Number of kilolitres saved to reduce water usage for building portfolio**

The reason for deviation provided indicates that there was delay in the delivery and installation of meters. The department indicates that installation will commence in the 4th quarter of 2016/17.

1.2. Programme 3: Transport Infrastructure

Table 5: Planned and achieved targets vs spending

Sub-programme		Planned	Achieved	Deviation	Spending Pattern
Planning	Number of kilometres of surfaced roads visually assessed as per the applicable TMH manual	-	-	-	71.1%
	Number of kilometres of gravel roads visually assessed as per the applicable TMH manual	-	-	-	
Design Roads	No of infrastructure designs ready for tender	2	5	3	85.6%
Construction Roads	No of kilometres of gravel roads upgraded to surfaced roads	4	0	(4)	63.5%
Maintenance Roads	No of lane -km of surfaced roads rehabilitated (No of square metres of surfaced roads rehabilitated)	50 (215 000)	78 (335 400)	28 120 400	82.5%
	No of square meters of surfaced roads resealed	450 000	903 320	453 320	
	No of kilometres of gravel roads re-gravelled	45	76	31	
	No of square meters of blacktop patching	40 000	22 335	(17 665)	
	No of kilometres of gravel roads bladed	10 076	12 915	2 839	

Table 5.1 Financial performance of sub-programme 3 for the 3rd quarter

R Thousands	Allocated Budget 2016/17	Adjustment	Final Adjusted Budget	Actual to the end of December 2016	Outcome as % Budget
Sub-Programme					
Programme Support	1 737	(10)	1 727	1 159	67.1%
Infrastructure Planning	67 712	24	67 736	48 138	71.1%
Design Roads	37 188	11 010	48 198	41 261	85.6%
Construction Roads	1 298 343	68 857	1 367 200	868 269	63.5%
maintenance Roads	952 013	(21 845)	930 168	767 069	82.5%
TOTAL	2 356 993	58 036	2 415 029	1 725 896	71.5%

Economic Classification:

Compensation of employees	400 000	(10 000)	390 010	285 587	73.2%
Goods and services	655 998	(3 460)	652 538	572 501	87.7%
Total transfers and subsidies	10 098	-	10 098	5 741	56.9%
Payments for capital assets	1 290 887	71 496	1 362 383	862 067	63.3%
Total	2 356 983	58 036	2 415 029	1 725 896	71.5%

Table 5 above seek to illustrate the planned and achieved targets against the spending of the department, whereby the programme had 7 performance indicators and the department managed to achieve 5 or 71% planned performance indicators as per APP for the quarter under review. Initially, the department had been allocated a budget of R 2 356 993 000 for programme 3 which was adjusted to R 2 41 029 000.00. Out of the total allocated budget the department managed to utilise an amount of R 1 725 896 000 which translate to 71.5% for the 3rd quarter of 2016/17 financial year. The following is the performance of the department per sub programme:

- **Design Roads**

The department planned to design two (2) roads for the quarter under review and managed to design five (5) roads which include three (3) road designs from the previous quarter. The department spent its budget for this sub-programme at 85.6% for the 3rd quarter of 2016/17 financial year. Through scrutiny of the quarterly reports for the past 9 months noted that the department does not have a backlog in terms of road designs for the financial year.

- **Construction Roads**

The department had planned to upgrade 4 kilometres of gravel roads to surfaced roads. This target was not achieved in the 3rd quarter by the department with reasons of budgetary constraints. The gravel road which was not upgraded to surface road is called Merry Pebbles. This road has been in the department's APP since 2014-2015 financial years and yet the department continuously mention issues of budgetary constrain. During the unannounced visit by the Legislature at Bushbuckridge Local Municipality in November 2016, the portfolio committee noted concerns with regard to the project.

The contractor indicated that the department requested them to slow down progress due to budgetary constraints; however that does not stop them from claiming funds from the department because they incur expenditures such as salaries as workers are still on site. This basically means that the project kept pumping funds to the contractor since 2014-15 without significant progress. The project cost will end up being higher than what was initially planned. The final adjusted budget spent for this sub-programme for the 3rd quarter is at 63.5% i.e. R 868 269 000.00.

The Committee requested the department to share with the Committee the plans in place to complete the construction of the Merry Pebble road, since the budget constrains issue has been in place for a long time. The department reported that construction of the project commenced in the 2014/15 financial year as one of the projects intended to be funded using a portion of the coal haul road repair and rehabilitation grant, which was not approved by National Treasury and National Department of Transport. The department also stated that the project was not sufficiently funded in the 2015/16 and 2016/17 financial years, the department only received funding after budget adjustment. Progress has been made despite the funding constraints and the project will be completed by September 2017. Sufficient funding to complete the remaining work has been made available on the 2017/18 Annual Performance Plan.

- **Maintenance Roads**

The department had five (5) planned performance indicators for this sub-programme and managed to achieve all 5. The department spent its final adjusted budget at 82.5% i.e. R 767 069 000.00

1.3. Programme 4: Transport Operations

Table 6: Planned and achieved targets vs spending

Sub-programme		Planned	Achieved	Deviation	Spending Pattern
Public Transport Operations	No of kilometres subsidised	6 589 725	6 825 143	235 418	75%
	No of trips subsidised	207 727	209 664	1 937	
	No of bicycles	500	1 378	878	
	No of scholar transport routes monitored	341	341	-	
Transport Safety and Compliance	No of roadside checks conducted	842	858	16	87.6%
Transport System	No of PRE hearings conducted	12	12	-	58.1%
Infrastructure Operations	No of projects completed	-	-	-	78%

Table 6.1 Financial performance of sub-programme 4 for the 3rd quarter

R Thousands	Allocated Budget 2016/17	Adjusted	Final Adjusted budget	Actual to the end of December 2016	Outcome as % Budget
Sub-Programme					
Programme Support	3 712	-	3 712	1 660	44.7%
Public Transport Operations	1 050 678	-	1 050 678	788 163	75%
Transport Safety and Compliance	41 148	120	41 268	36 139	87.6%
Transport Systems	13 913	(120)	13 793	8 015	58.1%
Infrastructure Operations	21868	(313)	21 555	16 804	78%
TOTAL	1 131 319	(313)	1 131 006	850 781	75.2%

Economic Classification:

Compensation of employees	66 745	-	66 745	49 846	74.7%
Goods and services	414 498	(3 049)	411 449	359 564	87.4%
Total transfers and subsidies	575 732	9	575 741	389 063	67.6%

Payments for capital assets	74 344	2 727	77 071	52 308	67.9%
Total	1 131 319	(313)	1 131 006	850 781	75.2%

Table 6 above seeks to illustrate the planned and achieved targets against the spending of the department, whereby the programme had 6 planned performance indicators and managed to achieve all 6 of its planned performance indicators as per APP. The department has been allocated a budget of R 1 131 319 000.00 which was adjusted to a final budget of R 1 131 006 000.00 i.e. a reduction of the initial allocation by R 313 000.00 for programme 4 and out of the final adjusted budget the department managed to utilise an amount of R 850 781 000.00 which translate to 75.2% for the 3rd quarter for the 2016/17 financial year. Table 6.1 indicates on economic classification: goods and services a high spending of 87.4%. According to the department the high spending was due to payment of all invoices for scholar transport services.

5.5. Programme 5: Community Based Programme

Table 7: Planned and achieved targets vs spending

Sub-programme		Planned	Achieved	Deviation	Spending Patten
Community Development	No of EPWP opportunities created by the provincial DPWRT	7 305	1 345	(5 960)	64.6%
	No of full time equivalents (FTEs) created by the DPWRT	2 382	983	(1 399)	
Innovation & Empowerment	No of Beneficiary empowered interventions	3	3	-	51.2%
	No of public bodies reporting on EPWP targets within the province	31	30	(1)	
	No of interventions implemented to	1	1	-	
EPWP Co-ordination & monitoring	No of jobs created	24 125	4 421	(19 704)	77.1%
	No of full time equivalents (FTEs)	9 467	4 232	(5 235)	
	No of youths employed (18-35)	13 269	1 777	(11 492)	
	No of women employed	13 269	3 262	(10 007)	

	No of people with disabilities	482	17	(465)	
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Table 7.1 Financial performance of sub-programme 3 for the 3rd quarter

R Thousands	Allocated Budget 2016/17	Adjustment	Final Adjusted budget	Actual to the end of December 2016	Outcome as % Budget
Sub-Programme					
Programme Support	1 855	(35)	1 820	1 375	75.5%
Community Development	40 796	(69)	40 727	26 330	64.6%
Innovation and Empowerment	16 747	(210)	16 537	8 475	51.2%
EPWP Co-Ordination and monitoring	15 161	(76)	15 085	11 633	77.1%
TOTAL	74 559	(390)	74 169	47 813	64.5%

Economic Classification:

Compensation of employees	32 975	-	32 975	28 433	86.2%
Goods and services	40 885	(390)	40 495	19 364	47.8%
Total transfers and subsidies	-	-	-	-	-
Payments for capital assets	699	-	699	16	2.3%
Total	74 559	-	74 169	47 813	64.5%

Table 7 above seeks to illustrate the planned and achieved targets against the spending of the department, whereby the programme had 10 planned performance indicators for the 3rd quarter of the 2016/17 financial year. However the department indicated that they only reported on preliminary figures since the EPWP system only closed on the 20th January 2017 for reporting and that an updated report will be submitted once the validated figures are released by the National Department of Public Works for the 3rd quarter. The department had initially been allocated a budget of R 74 559 000.00 for programme 5 which was adjusted to a final budget of R 74 169 000.00 and out of the total allocated budget the department managed to utilise an amount of R 47 813 000.00 which translate to 64.5% for the 3rd quarter of the financial year.

It is indicated by the department that the low spending was influenced by the slow progress on the implementation of Sakha'bakhi and National Youth Services. Furthermore, table 7.1 also indicates a low spending on payment of capital assets at 2.3% which the department indicates that it's due to non- procurement of computers and related information technology equipment. This target was initially planned for

the 2nd quarter as indicated in the quarterly reports, however the department failed to achieve it in both 2nd and 3rd quarters. There are no reasons indicated by the department with regard to failure to achieve the target.

The Committee requested the department to share the reasons for failure to procure computers and related information technology equipments as planned by the department since 2nd quarter of 2016/17. The department reported that computers are some of the items that the department decided to put on hold due cost curtailment measures.

The Committee requested the department to explain how does the non- procurement of computers and information technology equipments affect the daily operations of officials in the department. The department reported that the non-procurement of equipments does not adversely affect the daily operations since the computers are still operational. Officials were advised to consider repairing/servicing old computers before replacing them. Critical needs were submitted for reconsideration in 2017/18 financial year pending budget availability.

According to page 14 on the 3rd quarter performance report of the department, there is an indication that 24 125 jobs creation was planned for the 3rd quarter and preliminary figures indicate 4 421 job creation achieved. While page 25 of the 3rd quarter indicates that the department planned to create 51 569 jobs and delivered 24 145 in the past 9 months of the financial year 2016/17.

The Committee requested the department to explain why it fails to ensure that the planned numbers of jobs are created as per the departments plan. The department reported the following:

- The department is coordinating the reported number of job opportunities created by public bodies and capture them on the EPWP Reporting (ER) System.
- The low turnover of jobs reported in the 2016/17 financial year is resulting from new requirements on the ER System and documents to be uploaded prior to any job being reported.

- This ER System is controlled at the National Department of Public Works and linked to Home Affairs for the validation of Identify Documents (ID) prior to a job opportunity being reported.
- The department however developed a Data Recovery Plan which commenced in the 4th quarter to improve performance.

6. FINDINGS

The Committee made the following findings:

- 6.1. The department planned to construct 280 building infrastructure for client departments in the 3rd quarter of the 2016/17 financial year but only 03 building infrastructure were achieved.
- 6.2. Poor performance in relation to implementation of targets in the APP, as well as poor planning for infrastructure projects implementation is negatively affective the performance of the department.
- 6.3. The gravel roads called Merry Pebbles has been in the APP since 2014/15 financial year and yet the department continuously mentions the issues of budgetary constraints.
- 6.4. The department is failing to ensure that the planned numbers of jobs are created as per the department plan.

7. RECOMMENDATIONS

The Committee made the following recommendations:

- 7.1 The Department must :
 - 7.1.1 Develop a clear plan on how many of the 277 infrastructure projects that were not achieved in the 3rd quarter will be spread out for achievement in the outer years.
 - 7.1.2 Provide details of new mechanisms that will be used in the future to achieve the outstanding projects.
- 7.2 The department must rearrange its operations in a manner that will address its capacity on infrastructure projects planning and performance on.

- achievement of APP targets.
- 7.3 The department must provide performance progress on the construction of the Merry Pebbles road project in Bushbuckridge.
 - 7.4 The department must provide a quarterly progress report on the “Data Recovery Plan” which the department reported that it will address poor performance with regard to achievement of planned numbers of jobs to be created as per its plan.

The Portfolio Committee tables this report to the House for adoption with its recommendations.

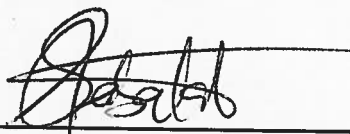
8. CONCLUSION

The Chairperson takes this opportunity to thank the Members of the Portfolio Committee for their active participation and constructive contributions during the deliberations on the Department of Public Works, Roads and Transport 3rd Quarterly Performance Report for the 2016/2017 financial year.

In addition, the Chairperson extends a word of thanks to the MEC, HOD and senior management officials for availing themselves to deliberate on matters pertaining to the department.

The Chairperson would also like to thank the support staff for contributing to the production of this report.

The department should provide the Committee with a progress report on the implementation of House Resolutions not later than the 28 April 2017, and thereafter on a quarterly basis.



HON GC SHABALALA

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
PUBLIC WORKS, ROADS AND TRANSPORT;
COMMUNITY SAFETY, SECURITY AND LIAISON**

30/03/2017

DATE