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STATEMENT BY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE, PATRICIA DE LILLE and HEAD OF INFRASTRUCTURE SOUTH AFRICA, DR KGOSIENTSHO RAMOKGOPA

Infrastructure Investment Plan projects in full swing reviving construction sector and creating much needed jobs in line with objectives of the Economic Reconstruction and Recovery Plan (ERRP)

Introduction:

Following the State of the Nation Address (SONA) by President Cyril Ramaphosa earlier this month, today I am pleased to be updating the media on progress with projects in the Infrastructure Investment Plan along with the head of Infrastructure South Africa (ISA), Dr Kgosientsho Ramokgopa.

We will provide an update on some of the 62 projects in the Infrastructure Investment Plan which was approved by Cabinet in May 2020 and contains projects form all three spheres of government, state-owned entities and the private sector.

I will also be speaking to some of the key issues within the mandate of the Department of Public Works and Infrastructure (DPWI) as highlighted by the President in the 2022 SONA.

Background:

The Infrastructure Investment Plan forms a central part of the Economic Reconstruction and Recovery Plan (ERRP) aimed at stimulating economic growth and job creation as announced by President Ramaphosa in October 2020.

The projects within the Infrastructure Investment Plan were gazetted as Strategic Integrated Projects (SIPs) in line with the Infrastructure Development Act in July 2020 enabling them to follow an expedited path to ensure implementation.

The projects have been gazetted as SIPs to contribute to economic growth by reviving the construction sector and creating much needed jobs for people.

The Infrastructure Investment Plan was highlighted as the "flywheel to economic growth" by the President and contains 62 projects across the country in various sectors which are at various stages.

It must be noted that most of the government projects in the Infrastructure Investment Plan are implemented by the respective government departments, spheres of government and SOEs with DPWI and ISA playing a co-ordinating role of oversight and to assist with raising funding from outside of the fiscus and assist with any blockages on projects.

Through the SIPs, government is leading by investing in infrastructure and creating the conditions conducive to create the crowding in effect by the private sector to create jobs.

Infrastructure Fund

In August 2019, following a Cabinet approval, the Infrastructure Fund was announced as a ring-fenced division of the Development Bank of Southern Africa (DBSA).

The Infrastructure Fund was operationalised in 2020 with a commitment of R100billion from government over a ten year period and has been capacitated with the requisite skills and capacity to enable it to achieve its blended financing mandate.

Over the next three years, R24 billion has been allocated to the Infrastructure Fund for blended financed projects.

The Infrastructure Investment Committee has met several times with myself as the chairperson of this committee.

Projects are approved by the Infrastructure Fund for blended finance with contributions from the fund and the remainder to come from the private sector.

The below Infrastructure Fund pipeline projects were submitted for Budget Facility for Infrastructure (BFI) for consideration.

- For the 2021 Adjustment Budget: Four student housing infrastructure projects delivering 9 500 beds at a cost of over R3 billion was considered. The BFI approved amount was R900million from the Infrastructure Fund over two financial years.

- For the 2022 Budget, the following projects were considered by the relevant BFI committees:

- Social Housing Programme (SHP): Total project cost = R1.1 billion. BFI Approved amount R304.5million over the next two financial years from the Infrastructure Fund.

- Lepelle Northern Water (LNW): Total project cost = R4.5 billion. BFI Approved amount R1.4billion over the next three financial years from the Infrastructure Fund.

Progress on SIPS:

A number of the projects have been launched and are progressing well especially in the human settlements and transport sectors and we highlighted a number of these with site visits last year.

We are not just making announcements, we will only launch projects after all processes have been completed such as the financing.

In the coming weeks we will be visiting more projects which have started, starting with the N2 Nodal mixed residential development in Nelson Mandela Bay Municipality, the Sondela Phase 2 and the Jeppestown Human settlements projects in Gauteng. I encourage the media to join these visits to see the progress first hand.

Last year we visited the following projects which were progressing well:

- SIP 24c: The Lufhereng Mixed Use development in Soweto,
- SIP 21 f & g: The N3 Road Upgrades in KwaZulu Natal,
- SIP 21 b: The Musina Ring Road in Limpopo

- SIP 21 m: The Small Harbours Repairs and Maintenance Programme at the 13 proclaimed fishing harbours in the Western Cape such as Hermanus and Saldanha Harbour.

Transport Sector Projects:

The Department of Transport's projects with SANRAL as its implementing Agent, is progress well in terms of the delivery of National Roads in South Africa. Of the SIP 21 Gazetted projects, the following projects are completed:

- SIP 21 a: N1 Windburg Interchange Windburg Station: Free State
- SIP 21 c: N1 Polokwane Eastern Ring Rd Phase 2: Limpopo
- SIP 21 d: N1 Ventersburg to Kroonstad: Free State
- SIP 21 e: N2 Mtunzini Toll Plaza to Empangeni T-Junction: KwaZulu Natal

Projects in Construction:

- SIP 21 b: N1 Musina Ring Road: Limpopo (This project is expected to be launched in the first quarter of 2022)
- SIP 21 f: N3 Cato Ridge to Dardanelles: KwaZulu Natal
- SIP 21 g: N3 Dardenelles to Lynnfield Park: KwaZulu Natal
- SIP 21 j: N3 Ashburton Interchange to Murray Road: KwaZulu Natal

Projects in Procurement stages include:

- SIP 21 h: N3 Paradise Valley to Mariannhill Toll Plaza: KwaZulu Natal
- SIP 21 i: N2 Edwin Swales to South of EB Cloete Interchange: KwaZulu Natal
- SIP 21 k: N3 Mariannhill Toll Plaza to Key Ridge: KwaZulu Natal
- SIP 21 l: N2 EB Cloete Interchange: KwaZulu Natal

Small Harbours Repair and Maintenance Programme: SIP 21 m

Phase 1 entails the redevelopment of the 13 proclaimed fishing harbours in the Western Cape currently being implemented by DPWI which includes the refurbishment and upgrades of the harbours to an 80% operational efficiency. The repair programme is just over 97% completed and is expected to be fully completed by March 2022.

This programme is being implemented at the following harbours:

1. Kalk Bay
2. Gordons Bay
3. Hermanus
4. Gansbaai
5. Struisbaai

6. Arniston
7. Lamberts Bay
8. Laaiplek
9. St Helena Bay
10. Saldanha Bay
11. Pepper Bay
12. Hout Bay
13. Stilbaai

To date, this project has created 894 job opportunities and empowered local SMMEs to the value of R114 million.

In April 2021, Dr Ramokgopa and I conducted a site visit to the Saldanha Bay harbour Project and in December 2021, we opened the refurbished multi-purpose centre at the Hermanus Harbour which is being utilised by local traders as part of efforts to stimulate local economic growth and create jobs for the surrounding coastal communities.

Phase two of the Small Harbours SIP includes the new small harbours identified in the Eastern Cape, Northern Cape and the KwaZulu-Natal which is currently in the project preparation stage~~.~~

Human Settlements Sector Projects

The Human Settlement Sector is progressing at an accelerated pace with Social Housing receiving much of the attention in the past year.

The Social Housing Regulatory Authority has worked closely with the Infrastructure Fund where they were able to unlock R305 million approved funding over two years for the Priority Social Housing Projects.

I will now go into some highlights of human settlements projects rolled out in the past financial year.

- SIP 24 i: Fochville Extension 11 in the West Rand District Municipality, Gauteng. The proposed development will consist of 2,198 residential units, out of which 258 will be Social Housing Units (SHU). This project is expected to create 953 jobs.

- SIP 24 k: Hospital Street in Mujuba District Municipality, KwaZulu-Natal. The proposed development consists of 53 four-storey building blocks consisting of 1,056 units. This project is expected to create 3384 jobs. Construction activities are currently underway on site, the boundary wall, guard houses, office and refuse building have been completed. 54 platforms have been filled, stormwater, water and sewer reticulation has also been completed.

- SIP 24 j: Germiston Extension 4 in Ekurhuleni Metropolitan Municipality, Gauteng. The project has planned 201 SHUs to accommodate 601 people. This project is expected to create 847 jobs.

- SIP 24 m: Kwandokuhle Social Housing Project in Gert Sibande District Municipality, Mpumalanga. The project involves construction of a total of 492 SHUs in Govan Mbeki Local Municipality in the Gert Sibande District Municipality, Mpumalanga province. This project is expected to create 1544 jobs.

- SIP 24 l: Hull Street Phase 1 in Francis Baard District Municipality, Northern Cape. The Hull Street Social Housing Project envisions delivering a total of 600 SHUs in two phases. This project is expected to create 1152 jobs.

- SIP 24 p: The Willow Creek Project is located in Ermelo, in the Msukaligwa Local Municipality in the Gert Sibande District Municipality, Mpumalanga province. The project entails the construction of 360 SHUs in the Ermelo Central Business District (CBD). This project is expected to create 1062 jobs

- SIP 24 o: Sondela Village Phase 2 in Gauteng is now 100% completed, all 177 units have achieved Practical completion. Tenants have moved into 96 units, this equates to 54% of occupancy.

- SIP 24 r: The Jeppestown Project in Johannesburg is also progressing well at 37% completion rate with 95 units targeted with an estimated 500 job opportunities being created.

- At Greencreek SIP 24 g, one of the private sector projects gazetted, 3 872 units are targeted with 412 units already constructed and 361 units already occupied. The project is intended to create over 3 000 job opportunities.

- The Mooikloof Development SIP 24 h is also progressing well.

In total 18 housing projects have been gazetted as SIPS to the value of R129 billion which together will produce more than 190,000 housing units and is estimated to create over 263 000 jobs.

Water & Sanitation Sector

Under the Strategic Integrated Project 19: Water & Sanitation, the sector has a total investment value required of approximately R115bn. The projects are expected to create more than 20 000 jobs during construction and over 14 000 jobs during the operational phases. The projects that are ready for investment include:

- SIP 19 a: Lesotho Highlands Water Project (Phase 2 (Gauteng/Lesotho): Advance works are under construction. Tender design for the main contracts is complete; award of the main contracts is now dependent on finalising the loan agreements. The project is intended to create around 3 500 jobs during construction.

- SIP 19 b: Phase 2A of the Mokolo Crocodile River (West) Augmentation Project (Limpopo): Raising of long term debt for the project is underway. The Infrastructure Fund is exploring the possibility to partner with the Trans-Caledon Tunnel Authority (TCTA) to raise R5 billion Standby Credit Facility to credit enhance the debt raising prospects of the transaction. The project is in Procurement and is intended to create approximately 2 000 jobs during the construction period.

- SIP 19 i: Berg River Voelvlei Augmentation Scheme (BRVAS) (Western Cape): The final draft BRVAS Agreement was circulated to the Users for consideration by the Municipal Councils and Irrigation Boards. Finalisation of the agreement will pave the way for long-term funding. The project is in Procurement with the potential to create approximately 400 jobs during construction phase.

- Other Water and Sanitation SIPS such as the uMkhomazi Water Project, SIP 19 c is in procurement preparation stage and the Mzimvubu Water Project, SIP 19 f is in the stage one construction phase.

Energy Sector Projects: SIP 20

- The Risk Mitigation Independent Power Producer Procurement Programme (SIP 20a), with an approximate investment value of R50 billion Financial close has been extended to end of March 2021.

  Local Content was a key qualification criterion with a requirement to demonstrate at least 40% threshold to pass the qualification criteria for the selected preferred bidders. The project is intended to create over 15 000 job opportunities during the operations phase alone.

- On the Embedded Generation Investment Programme of 400MW (SIP20c), the Development Bank of South Africa (DBSA) has issued a Request for Proposals (RFP) for the programme on the 31st July 2021, with application submissions received by the 30th of September 2021.

  It is expected that the project can ensure 700 000 tons of emissions per annum reduction in RSA once projects are completed. This forms part of Green House Gas emissions reduction plans.

- Bid window 5 with an estimated capacity of 2583MW was also recently announced by the Minister of the Department of Mineral Resources and Energy. Financial close is at end of April 2022.

Special Projects:

The Welisizwe Rural Bridges Programme, SIP 25

This is one of the 12 special projects also gazetted as SIPS and this programme involved the implementation of bridges in the rural areas to assist communities to access social amenities and economic opportunities, especially during inclement weather.

As we know many rural communities are severely impacted by flooding and lack of access where we see many community members especially young children having to cross dangerous river streams to get to school or clinics and places of work.

The Welisizwe Rural Bridges Programme is implemented between the DPWI, the Department of Defence and provincial Transport and Public Works Departments.

A number of bridges have been installed in the Eastern Cape and KwaZulu Natal in the past two years. Four bridges have been completed in the Eastern Cape and 12 in KZN.

The Department of Defence has a capacity to deliver 95 bridges per year, hence the announcement by the President at SONA to upscale the programme by 95 bridges per year and we look forward to the budget speech by the Minister of Finance to confirm the funding to enable the delivery of 95 bridges for the new financial year.

Given the pending committed of budget from National Treasury, the Welisizwe bridges will be up scaled and rolled out in six provinces namely, Mpumalanga, the Eastern Cape, KwaZulu Natal, Free State, Limpopo and North West) in the 2022/23 financial year.

This programme is has also been instrumental in providing jobs and on-the-job training to qualified artisans and professionals in the department.

The DPWI is in the process of recruiting 360 Qualified Artisans, 300 Artisan Trainees and Engineering Trainees from the participating provinces for Welisizwe Programme. Some these trainees are already in the Department.

The recruitment process will concluded by the 31 March 2022. EPWP participants will be recruited from the community where the bridge is constructed.

SIP 28: PV and Water Savings on Government Building Programme (Integrated Renewable Energy and Resource Efficiency Programme - iREREP)

On 20 September 2021, I announced the opening of the Request for Information (RFI) process for the Integrated Renewable Energy and Resource Efficiency Programme (iREREP) to test the market for ideas which comprehensively looks at ways to deliver mutual value through strong partnerships across Government and the private sector.

The RFI process for ideas from the market opened on 20 September and by the closing date on 27 October, 58 submissions had been received.

We are now drawing up the specifications and the Request for Proposals (RFP) will go out in the first quarter of the new financial year.

Also known as the Photovoltaic (PV) and Water Savings on Government Buildings Programme (SIP28), this project was also gazetted as SIP 28.

The programme will be the largest programme for the procurement of renewable energy and resource efficiency for public facilities.

The DPWI as the largest landlord and facilities manager in the country, has a responsibility to not only deliver and manage quality infrastructure but to combat climate change and sustainable development through its mandate - such as providing buildings for government service delivery.

Recent studies places annual electricity and water consumption at an estimated 4021 Gigawatt hours 39 million kilolitres respectively.

SIP 26: Rural Roads Programme

The South African road network is estimated at a total of 750 000km, the 10th longest road network internationally. This is a combination of both paved and unpaved roads.

Of the 750 000km, approximately 592 000km is gravel (unpaved). The backlog of upgrading the entire gravel road network in South Africa amounts to R5.3 Trillion.

There is a need to incorporate labour-intensive methods in the designs of the gravel roads upgrades projects in order to create jobs and decrease the unemployment rate South Africa is faced with.

We aim to upgrade at least 50% of rural roads in the next three years using block paving. The bricks used in the upgrading and maintenance of these rural roads will be sourced from local suppliers.

The rural roads programme will cover mostly the rural provinces of the Eastern Cape, KwaZulu-Natal, Mpumalanga, Limpopo, North West and the Free State. ISA and the National Department of Transport continue to work together with provinces to the rural roads to be upgraded.

Refurbish Operate and Transfer Strategy

DPWI is also the owner of many unutilised buildings and assets and in order to reduce the cost of letting in buildings from the private sector for use by government departments, we are now going to use more government buildings for government departments.

The methodology we are going to use is that we have come up with the Refurbish Operate and Transfer Strategy. We will start a pilot for five buildings bringing the private sector on board to do a proof of concept on five buildings.

The private sector will put in the resources to refurbish and repair the buildings and repurpose them for office space for government.

Also as part of the ROT strategy, it will also include repairs and maintenance. In return government will lease the buildings to the private sector for a long term period but for use by government departments.

We will also be packaging another 200 buildings for the same purpose that will go out to the market in the next financial year.

Dr Kgosientsho Ramokgopa:

FUNDING

As a recap, the Sustainable Infrastructure Development Symposium of South Africa, which was launched in 2020 identified a large number of projects of which 50 was gazetted as earlier mentioned by Minister de Lille.

29 of the 50 projects are either completed or in implementation to the value of R119 billion out of the R340 billion as announced during the SIDSSA of 2021.

During the SIDSSA 2021 in October, an additional 55 projects were showcased with a total investment value required of R595 billion with an investment gap of R441 billion.

40% of these projects are still in Preparation stages.

Infrastructure South Africa is working closely with the Project Sponsors and the Provinces in providing technical support to the project owners to accelerate the projects through the preparation stage to an investment ready and bankable project.

The implementation of some of these projects are due to the lack of adequate bulk infrastructure which is curbing private sector investments.

As such, and as mentioned by the President in his SONA, government will be providing fiscal support to finance bulk infrastructure that will enable key catalytic private sector projects.

An initial fiscal injection of R1.8bn will be made available unlock to support seven private sector projects to the value of R133 billion.

These are brownfield projects which include the N2 Nodal Development in the Nelson Mandela Bay Municipality and the Keystone Industrial Park in eThekwini. These 7 projects have jobs promise of approximately 344 000 direct quality jobs.

SOCIAL INFRASTRUCTURE DELIVERY MECHANISM

President Ramaphosa also made reference to government introducing an innovative social infrastructure delivery mechanism to address issues that afflict the delivery of school infrastructure.

The mechanism will address the speed, financing and funding, quality of delivery, mass employment and maintenance.

The new delivery mechanism will introduce a Special Purpose Vehicle, working with prominent Development Finance Institutions and the private sector, to deliver school education infrastructure.

The pace of delivering social infrastructure is determined by Departments capacity to implement the infrastructure programmes and the availability of funds for implementation. The challenges in implementing social infrastructure can be categorised into four groups:

The funding challenge where the pace of implementation is limited to the available funds.

- The capacity to perform integrated planning, stakeholder engagement and management and institutional capacity to implement projects at a large scale. This results in underspending and lack of co-ordination within the department and with stakeholders.
- Monitoring and evaluation, due to inadequate monitoring and evaluation the department is not able to report accurately on the progress of the programme and this impacts planning, budgeting and coordination.
- Facility management and maintenance, there has been a huge drive to build new schools however the maintenance of existing infrastructure has been neglected. This will not only impact existing schools but will also have an impact on new builds, if robust maintenance schedule and programme is not implemented and funded.

The new delivery mechanism will introduce a Special Purpose Vehicle, working with prominent country development finance institutions (DFIs), to deliver school education infrastructure with the Northern Cape and Eastern Cape Provinces being the pilots.

The Eastern Cape has 61 Schools ready for construction at a cost of R3.7bn while the Northern Cape requires approximately R2.1bn to develop 28 schools. This innovative programme initiative will seek to create a private sector supported fund to accelerate school infrastructure roll-out across the country.

Minister de Lille:

Those are the updates in terms of the Infrastructure Investment Plan SIPS and as mentioned earlier, Dr Ramokgopa and I, along with other Ministers and stakeholders will be visiting many of these projects throughout the year to show progress.

I will now turn to some other key issues mentioned in the SONA which fall within the ambit of DPWI:

Land Releases for Land Reform Programme

The DPWI as the custodian of many parcels of state-owned land is also a key department in government's land reform programme and is often requested to release land for human settlements development, land tenure, land restitution and redistribution.

President Ramaphosa made reference to DPWI releasing just over 14 000 hectares of human settlements development purposes.

This was in line with a Cabinet Memorandum of 2019 which identified 14 000 hectares of land under the custodianship of the Department of Public Works and Infrastructure (DPWI).

I can report on those 14 000 hectares as follows:

- Following a high level verification on the availability of the identified land parcels, it was established that Sixty Three (63) land parcels are currently in use by the Department of Defence (DOD) which constitute of Four (04) Military Bases and 01 land parcel used by SAPS in the Western Cape. The total extent of these land parcels is 556.8805 hectares.

- The size of the military bases alone amounts to 542 hectares.

- Of the 14 000 hectares, we have so far approved and issued Special Powers of Attorney for 27 land parcels measuring 2088,8 hectares emanating from the Cabinet Memorandum.

- A land reform Inter Ministerial Committee (IMC) was convened by the Deputy President on the 26 February 2021 where, the unavailability of some of the aforementioned land parcels was discussed.

- A resolution was taken for an onsite visit to determine the optimal utilisation of the land parcels allocated to DOD.

- On 27 February 2021, I undertook an onsite visit to the military bases in Cape Town with the Ministers of Defence: Minister Mapisa Nqakula and Minister of Agriculture, Rural Development and Land Reform, Thoko Didiza.

- It was decided that a Cabinet Memorandum on the military bases land should be done by Department of Defence to submit to Cabinet to make a decision and we await this Cabinet Memorandum and Cabinet's decision on the way forward with regard to the military land.

- A vacant portion of land measuring approximately 36.6756 hectares within the Wingfield Military Base has been identified as possible alternative area for Human Settlements development. Currently, the HDA is in a process of conducting a development feasibility studies.

Other Land Releases for human settlements development purposes by DPWI apart from the 14 000 hectares:

- Additionally, 13 land parcels not included in the Cabinet Memorandum measuring 531, 9 hectares have been approved by DPWI and Special Power of Attorney issued to the Housing Development Agency.

- Therefore, in total between May 2019 and February 2022, DPWI has released 40 land parcels measuring 2620, 7 hectares for the human settlements development. All of these land parcels have been spatially mapped by the HDA in support of the Priority Housing Development Areas.

- DPWI has also approved the release of land in Stellenbosch measuring 17, 7 hectares in Western Cape to the Housing Development Agency (HDA). This parcel of land and was identified by Passenger Rail Agency of South Africa (PRASA) and the HDA as an alternative land for the relocation and resettlement of communities illegally occupying the rail reserve of the Central line in the Western Cape. The Power of Attorney is in progress of being issued and will be finalised by end of February 2022.

- I am further committed to approve an additional 21 land parcels measuring 440, 6 hectares before the end of the financial year for human settlements development purposes.

Land Releases for the Land Reform Programme:

- Since May 2021 to date, DPWI has approved for release 125 properties measuring over 25 500 hectares of agricultural land for redistribution across all nine provinces.

- Since May 2019 to date, DPWI has released 204 properties totalling over 28 845 hectares in various provinces for restitution purposes.

- For land tenure, in May 2021 we also handed over 189 hectares of land and title deeds issued to Tafelkop black farmers in Limpopo.

GBVF Shelter Properties

In addition, with regards to DPWI's contribution to the fight against Gender-Based Violence and Femicide, the department has since 2019, released 12 properties for use as shelters for victims of GBV.

Six in the Western Cape, two in Johannesburg and four in Pretoria have been handed to the National or Provincial departments of social development and are being used as shelters to provide a safe haven to abused women and children.

We are finalising work with the Department of Social Development (DSD) on 14 other properties in the Northern Cape, KwaZulu Natal and Mpumalanga to be refurbished and handed over for GBVF shelters.

Parliament Fire Independent Assessment

Just over a week ago, I issued a statement with regard the Coega Development Corporation which was appointed by DPWI to conduct an independent assessment of the fire damage at Parliament.

National Treasury assisted the department to expedite the process to procure the independent specialist engineering team as expeditiously as possible and COEGA was appointed on Friday 11 February 2022.

Following the DPWI Engineering Services' recommendation that specialised structural engineering assessment work be undertaken in order for the buildings to be made safe for access, a scope of works was generated from the DPWI's Engineering Services team for this work.

The scope of work for the assessment by COEGA includes:

- Assessment of the fire damaged buildings in the parliamentary precinct to pronounce on the extent of the damage
- Provide professional advice on the safety of the structures.
- Provide measures to temporarily make the structure safe to allow the investigations to proceed unhindered

Deliverables:

- Initial Assessment report: Upon completion of the assessment, the service provider is to submit a report within one week of appointment.

COEGA has delivered their initial assessment report which revealed the following:

The Coega team has completed the bulk of the preliminary assessment and report on the fire damage to the New National Assembly Building and the Old Assembly Building following the fires of 2 and 3 January 2022.

The basement floors of the New Assembly Building are flooded and more inspection work needs to be done in this area.

The assessment confirmed that the fire in the National Assembly building caused significant damage to the central structural elements from the 2nd floor up to the 6th floor, but the structural integrity is such that the structure is not vulnerable to collapse.

The Coega final structural assessment report has designated 3 zones within the New National Assembly Building. They are designated as Red, Amber and Green Zones. The colours designate areas within the buildings and their status with respect to SAPS access for their imminent investigations.

Green zones represent areas which are fairly lightly damaged structurally and which may be accessed almost immediately by a properly inducted SAPS teams following defined safety protocols.

Amber zones are badly damaged zones which may be accessed almost immediately by properly inducted SAPS teams following defined safety protocols, provided they are accompanied by a member of the Coega structural team.

Red zones are severely damaged “no-go” zones which may not be accessed by SAPS teams.

Should the investigation trail render access to specific areas within the “no-go” zones to be very desirable, then the structural engineers will advise on special temporary access structures to be constructed. Where possible, to allow the investigators access, with due regard to safety, without applying loads to the severely compromised parts of the structure.

The Coega structural engineers have recommended certain short- to intermediate-term safety measures be put in place to safeguard personnel and certain remaining portions of the structure. These measures are recommended to be put in place after the conclusion of the SAPS investigation.

The Coega team is on track to commence with the second phase comprising of the detail assessment to determine the extent of damage for full restoration of the building including providing a cost and time estimate for such works. The latter will commence after the forensic investigations and should take three weeks to conclude.

Coega’s detailed assessment report will be communicated to the media and public as soon as it has been finalised and will include:

- Detailed assessment report indicating the extent of the damage and any other structural issues.
- Pronouncement on the residual strength of the structure (including all relevant tests and analysis)
- Proposed restorative measures with associated cost comparisons for restoration
- Proposed time estimate of the rehabilitation project
- Proposed preliminary cost estimate of the rehabilitation project
- Pronouncement on possible long term restorative measures

Debt owed to DPWI and DPWI amounts owed to municipalities

Over the past few weeks, there is has been a lot said and reported on government debt owed to municipalities specifically the City of Tshwane (CoT) with their campaign to switch off services to government buildings.

The DPWI Chief Financial Officer and his team have been engaging with all municipalities for some time on an ongoing basis to resolve all payment matters.

According to the latest age analysis that was received by City of Tshwane (CoT), a total amount of R82m was reported to be outstanding, with R77m current and within 30 days and R53m more than 60 days.

The DPWI has processed payments to the value R464 million to CoT since April 2021 to date in line with the invoices received for this period.

This is a demonstration that the department remains committed to paying all verified invoices on time.

The disconnections of services experience by our client departments were as a result of private landlords that are not paying the municipality for the services, rates and taxes due.

The issue of private landlords not paying for municipal services in buildings leased for government departments affected two landlords mainly.

One of these landlords had credit with the city and they were able to arrange set-offs against those credits to ensure that services were restored.

Through the department's interaction with CoT, we were provided with the individual invoices for cases that were disconnected and managed to process payments for leased buildings.

All other landlords have managed to settle their own accounts with the City of Tshwane.

It must be noted that the CoT has not disconnected any state owned building to date. This confirms the effort the department is putting in paying all service providers including the CoT where the accounts are in the name of the DPWI.

Over and above mentioned, the department has paid R1.5 billion and R2.3 billion in property rates and municipal services respectively directly to municipalities in the current financial year (2021/22).

Some of the known disputes that are still being addressed with municipalities through constant engagements are as follows:

a) Non-allocation of payments made to municipalities;
b) Transfer or change ownership on properties from the municipalities to the department; and
c) Disputes over interest charged due to payments not allocated timeously by municipalities;

In relation to Eskom, as at 31 January 2022, the department received an age analysis with a total outstanding amount R13.6 million and R10.4 million for large and small power users respectively.

The department has paid R417 million to Eskom since April 2021 to date.

In terms of municipal and electricity payments, the DPWI pays these accounts on behalf of all government departments to municipalities and Eskom and other government departments then have to reimburse DPWI for these payments.

As at 31 January 2022, the total debt owed to DPWI by client departments is R9 205 billion. The top 15 client departments owe 98% of the total debt. Included in the total debt is R4.703 billion relating to disputes.

To expedite the recovery of debt and to resolve the payment issues, the following actions are taken by DPWI:

a) Meeting with Top 15 Client Departments that contributes to 98% of the total debt owed
b) Resolve disputes raised by Client Departments;
c) Present to Forum of South African Director Generals (FOSAD) quarterly on non-paying clients;
d) Levy interest on outstanding amounts;
e) Presentation of the required information is done to Clients Departments for shared savings;
f) Continuous follow-ups are made with Client Departments to sign the billing agreement.

Members of the media, those are some of the key updates we can provide at this stage and we will continue to conduct site visits and host media briefings throughout the year to update you on progress and I urge media houses to join those visits to see progress on infrastructure projects and the job creation first hand.

Thank you and God Bless.

ENDS

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