Tuesday, 24 February 2026]

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OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

TUESDAY, 24 FEBRUARY 2026

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Referral to Committees of papers tabled

(1) The following paper is referred to the **Portfolio Committee on Justice and Constitutional Development** for consideration and report:

(a) Report on the provisional suspension from office of Ms M Maithufi, Additional Magistrate, Ga-Rankuwa, submitted in terms of section 13(4)*(b)*, and for the withholding of remuneration, in terms of section 13(4A)*(b)* of the Magistrates Act, 1993 (Act No. 90 of 1993).

(2) The following paper is referred to the **Portfolio Committee on Police**:

(a) Revised National Instruction on Sexual Offences, submitted in accordance with section 66(4)*(a)* of the Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2007 (Act No. 32 of 2007).

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Finance

(a) Financial Services Tribunal's Budget, Estimates of Expenditure and Levies Proposals for 2026/2027, in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017).

(b) Financial Sector Conduct Authority's Budget, Estimates of Expenditure, Fees and Levies Proposals for 2026/2027, in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017).

2. The Minister of Defence and Military Veterans

(a) Report and Financial Statements of Denel SOC for 2020-21, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2020-21.

(b) Report and Financial Statements of Denel SOC for 2021-22, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2021-22.

(c) Report and Financial Statements of Denel SOC for 2022-23, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2022-23.

(d) Report and Financial Statements of Denel SOC for 2023-24, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2023-24.

(e) Report and Financial Statements of Denel SOC for 2024-25, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2024-25.

National Assembly

1. The Speaker

(a) Reply by the Minister of Justice and Constitutional Development to Report of the Portfolio Committee on Justice and Constitutional Development on Vote 25: Justice and Constitutional Development for 2025/26 financial year, as adopted by the National Assembly on 15 July 2025.

Referred to the **Portfolio Committee on Justice and Constitutional Development**.

COMMITTEE REPORTS

National Council of Provinces

1. Report of the Select Committee on Public Infrastructure and Minister in the Presidency on Oversight Visits to National Department and Public Entity Sites in the Gauteng Province as part of a Joint Oversight Week with the Select Committee on Cooperative Governance and Public Administration from 21 to 25 October 2025, dated 24 February 2026

The Select Committee on Public Infrastructure and Minister in the Presidency, having undertaken oversight visits to National Department and Public Entity sites in the Gauteng Province as part of a Joint Oversight Week with the Select Committee on Cooperative Governance and Public Administration from 21 to 25 October 2025, reports as follows:

PART A: OVERVIEW

1. INTRODUCTION

The Select Committee on Public Infrastructure and Minister in the Presidency ("the Committee") focus for the joint Oversight Visit Week was twofold. Firstly, it formed part of the implementation of the Parliament Oversight Priority Plan. Secondly, the oversight week was aligned with Transport Month observed in October of every year.

1.1. Purpose of the Visit

The first day of oversight engagements was reserved for briefing sessions by SAA, ACSA and ATNS whereafter the Committee toured operations at ORTIA and the ATNS Aviation Training Academy. During the second day of oversight engagements, the Committee received a briefing on facility output and the attainment of localisation targets at the Passenger Rail Agency of South Africa (PRASA) Gibela Training Manufacturing Facility in Dunnottar. This was followed by a tour of the manufacturing facility, operations on the testing line and engagement

with production workers. Together, these entities aim to enhance transport efficiency, stimulate industrialisation, promote spatial integration, and contribute to inclusive economic recovery.

The oversight engagements concluded with a visit to the development of the Salvokop Government Precinct which promotes urban regeneration, improved public service efficiency, and integrated development within Tshwane's inner city. On site the Committee observed progress in the construction schedule and was also briefed on challenges to the completion of the Precinct.

1.2. Delegation

Name of Member	Political Party	Province
Badenhorst, Mr FJ	DA (Chairperson)	Western Cape
Breedt, Ms T	FF+	Free State
Scheurkogel, Dr I	DA	Free State
Kaunda, Mr TM	ANC	Kwazulu-Natal
Makesini, Ms M	EFF	Free State
Ceza, Mr K	EFF	Mpumalanga
Mabebo, Mr BS	ANC	North West
Peter, Mr MM	UDM	Eastern Cape
Molokomme, Ms KR	ANC	Limpopo
Nzimande, Mr E	MKP	Gauteng

PART B: OVERSIGHT ENGAGEMETS

1. South African Airways (SAA)

1.1. Overview

The focus of the oversight engagement was on how SAA Passenger Airline and SAA Technical (SAAT) divisions support the performance of routes to the various Provinces from domestic, regional and international destinations. The presentation was led by the Chief Commercial Officer at SAA, Mr Tebogo Tsimane and emphasised that its strategic goals are closely aligned with South Africa's national transport and economic policies, ensuring its operations contribute to the broader development of the Country.

Fifty- eight % of SAA's fight schedule is domestic, with 38% being regional and 4% being international flights. SAA reported on what it calls the most ambitious route expansion plan since the exit from business rescue. This will include two new domestic routes during the 2025/26 financial year being the Johannesburg – Gaborone Route (starting November 2025) and Cape Town – Mauritius Route (starting December 2025).

It has a current fleet capacity of 20 aircraft with 14 aircraft being on Dry Lease[1], 2 aircraft being owned by SAA and 4 aircraft being under an ACMI (Aircraft, Crew, Maintenance and Insurance) agreement. In additional SAA leases 4 aircraft from Sun Express during its peak season every year. The Company is undertaking a phased fleet expansion to grow its fleet to 52 aircraft over the next 10 years. This will include phasing in A350-900 aircraft for long-haul modernisation and A320neo and A330neo aircraft for narrow and medium haul renewal.

SAAT provides technical support to ORTI being its main base and at the King Shaka International Airport, Cape Town International Airport and Chief Dawid Stuurman International Airport. It was reported that aircraft maintenance services and support are well capacitated, and are provided using sufficient, skilled, experienced, and appropriately licensed engineers. SAAT has surpassed its 985% Technical Dispatch Reliability target of 98.5% by with flights departing on schedule and without delays or cancellations caused by technical issues 98.78% of the time for the year thus far.

1.2. Observations

1.2.1. Members considered progress made at SAA since its exit from business rescue, particularly the implementation of the turnaround plan and financial governance reforms. The following was highlighted:

i. The introduction of the new SAA Board as the Company had not had a fully functional board since the period leading up to its Business Rescue.
ii. An increase from 6 routes (upon existing business rescue) to operating on 16 routes currently.

[1] A Dry Lease is an agreement where SAA leases an aircraft for a set period without any crew, maintenance, or insurance.

iii. Reduced reliance on National Treasury support through improved cost management.
iv. Governance structures reconstituted following termination of the Takatso Consortium deal.
v. The staff complement at SAA has grown from 600 immediately after its exit from business rescue to a current complement of approximately 1,000 employees with active skills reactivation programs.

1.2.2. During the 2023/24 financial year, SAA supported a total of R9.1 billion in Gross Value Added (GVA) contribution to the Country's Gross Domestic Product (GDP), equating to some 25,200 jobs**,** and R1.5 billion in fiscal revenues**.** SAA is however not yet in a position to declare dividends to its shareholder.

1.2.3. One of the SAA subsidiaries companies, Mango, is currently under business rescue with the Company in the process of liquidation.

1.2.4. The useful life of most of the current fleet comes to an end in the next five years and will have to be scrapped.

1.2.5. Direct flights to New York have been identified as being the most lucrative potential route, however SAA does not currently have the wide body fleet capacity for direct flights.

1.2.6. SAAT has surrendered its South African Civil Aviation Authority (SACAA) approvals for George and East London airports and makes use of travelling technicians for these routes.

1.2.7. The Tour of SAA operations at ORTI including the following:

i. Operations at the SAA check – in counters.
ii. Process for document control and security.
iii. Refurbishment of ticket sale counter.
iv. Handling of money with a cash device machine to authenticate monies and the security measures to safeguard the monies.

v. Procedures for unaccompanied minors including measures to ensure safety whilst travelling and measures to prevent child trafficking.
vi. Operations at the SAA Commercially Important Passengers (CIPs) check-in service lounge.

1.3. Recommendations

1.3.1. The South African Airways (SAA) regain its SACAA authorisation at George and East London airports, as this could enhance operational capacity and create additional employment opportunities.

1.3.2. Further, it is recommended that progress on the implementation of the SAA Fleet Expansion Programme be included as a standing item during the Select Committee's review of Mid-Year Performance Monitoring Reports and Annual Reports, ensuring consistent oversight and accountability.

2. Air Traffic and Navigation Services (ATNS)

2.1. Overview

The focus of the oversight engagement was on ATNS' assessment of the reliability of Communication, Navigation and Surveillance (CNS) systems at airports in the various Provinces and the presentation was led by Mr C Gersbach, the Acting Chief Operations Technology Officer at ATNS. The ATNS provide air traffic, navigation, training and associated services within South Africa and a large part of the Southern Indian and Atlantic Ocean, comprising approximately 6% of the world's airspace. ATNS operates from nine ACSA owed airports and 12 other aerodromes in the Country.

ATNS operates with 1 113 employees and reported challenges in operational staffing performance. Persistent local and international shortages of air traffic controllers and flight procedure designers are being addressed through expanded training at the ATNS Aviation Training Academy.

CNS and Display infrastructure deployment is determined by operational requirements, age/maintainability of infrastructure and regulatory requirements. Several measures have been introduced to address CNS and Display Infrastructure challenges, these include replacement of aged systems, deployment of additional physical redundancies, and the additional security and introduction of physical security improvements, where feasible.

2.2. Observations

2.2.1. The Entity achieved 79% of its annual performance targets, though air traffic movements declined slightly to 287,760. A delay in tariff approvals by the Regulating Committee resulted in revenue losses during the first three quarters of the year.

2.2.2. The design life of most of the equipment is 15 years and procurement planning commences in advance of the 15 years coming to an end. This also links to the limited opportunity for localisation in respect of this equipment because procurement happens infrequently.

2.2.3. The Reliability of third-party infrastructure was highlighted as a major risk as the ATNS does not have alternatives when such infrastructure is in disrepair or fails. Particularly in smaller airports ATNS services are frequently non – operational because of dysfunctional electrical works that are not replaced or repaired. Furthermore, where this results in reduced flight numbers, ATNS Traffic Controllers are not able to complete the required hours of flight work to retain their certification.

2.2.4. Options to secure certain infrastructure against vandalism are limited because metal reflective surfaces (such as security fencing) are less than 400 meters away from infrastructure interferes with CNS systems. Vandalized equipment is often down for months and procurement to repair or replace equipment is time consuming to such an extent that the Service Level Agreements (SLA) with the Original Equipment Manufacturer (OEM) often expires before repair or replacement can take place.

2.2.5. SACAA has withdrawn safety management and flight procedures at various airports as it was found to be outdated and on – compliant with civil aviation regulations. Securing people with the necessary SACAA qualification and certification to update Flight Procedures is a significant challenge. ATNS has also approached various international service providers and found that their staff do not meet the requirements for procedures designers in South Africa. The Minister of Transport is monitoring progress in respect of the finalisation of the Flight Procedures.

2.2.6. ATNS presented its assessment of CNS systems and infrastructure at airports in the Country, including at ACSA owned airports as well as those owned by private owners, provincial and local government. CNS systems and infrastructure is aged or failing in the following airports and requires urgent attention.

Communication	Navigation	Security	Infrastructure
OR Tambo, Gauteng	Bisho, Eastern Cape	Kruger Mpumalanga, Mpumalanga	Bisho, Eastern Cape
Pilanesberg, North West	Mthatha, Eastern Cape		Mthatha, Eastern Cape
	Mahikeng, North West		Pilanesberg, North West
	Pilanesberg, North West		

2.2.7. The Committee toured the ATNS Aviation Training Academy and were introduced to the various training methods used at the Academy including 360^{o} desktop simulators. The Academy provides aviation training, including air traffic services, engineering, and safety-related courses, to staff and international students. It plans to enrol 120 students in 2025/26 financial year, an increase of 30 compared to the current year.

2.3. Recommendations

2.3.1. That the SACAA be requested to brief the Select Committee on its assessment of compliance with regulatory and legislative requirements at airports across the Country and the implementation of enforcement measures in instances of non – compliance.

2.3.2. That ATNS develop and cost a recovery plan for CNS systems and infrastructure assessed to be aged or failing as referenced in observation 2.2.6. above.

2.3.3. That ATNS seek legal advice on whether new SLAs to be entered into could be drafted to allow the repair and/or replacement of vandalised infrastructure and equipment to be undertaken my OEMs at such a time that the procurement process has been completed

2.3.4. That the ATNS Aviation Training Academy increase its enrolment into programmes that would produce the qualification and certification necessary to develop and review flight procedures.

3. Airports Company South Africa (ACSA)

3.1. Overview

The focus of the oversight engagement was on progress in the implementation of ACSA airport improvement plans across the Country. The presentation was delivered by the CEO Ms M Mpofu, who reported that ACSA airports handled 230 000 landings in 2024/25 financial year, reaching 92% of pre-COVID levels. Cape Town International Airport (CTIA) has surpassed pre-pandemic volumes at 112% and ORTI volumes is at 95%, supported by international and regional growth. Safair (24%) and Airlink (22%) continue to dominate aircraft movements, while SAA grew its share of aircraft movements to 8% (3% increase compared to the previous financial year).

ACSA owns and manages the nine key airports in the Country which includes the three major international gateways of ORTI in Gauteng, CTIA the Western Cape and King Shaka International Airport (KSIA) in Kwa-Zulu Natal. ACSA further has an airport management contract in place with the Umhlathuze Local Municipality to manage Richards Bay Airport.

ACSA generates revenue from aeronautical services (landing fees, passenger service charges, and parking of aircraft, through-putter fuel fee) and non-aeronautical Services (retail concessions, car parking, logistics warehouses, industrial property, hotels, fuel service station, car rentals, valet parking, and advertising). It also generates revenue from non – core services in the form of advisory and consulting, management fees for aeronautical and non-aeronautical activities, concessions fees and its training academy

ACSA reported a triple increase in Capital Expenditure allocation of R2.3 billion, increasing from R727 million in the 2024/25 financial year. This will be used to fund 220 projects. The major airport modernisation projects reported on by ACSA included the following:

- R5.7 billion for the Midfield Cargo Terminal Phase 1 at ORTI. The tender closed in March 2025 and physical verification of the bidders' previous works is being done by the Bid Evaluation Committee (BEC)
- R329 million for 20'' Jet Fuel Feeder Line at ORTI. Recommendation to award a tener was tabled at the National Bid Adjudication Committee (NBAC) which requested further negotiations with bidder.
- R6.1 billion for a new realigned runway at CTIA. Technical render development for a Design-and-Build tender is in progress.
- R2.5 billion for terminal expansion at Chief David Stuurman International Airport. Development of the Stage 2 Concept Report is currently in progress.

3.2. Observations

3.2.1. Five years ago, irregular expenditure at ACSA stood close to R1 billion and this has reduced considerably through preparation and submission of items for condonation, addressing legacy issues and instituting preventative measures to identify potential irregular expenditure through the procurement process. A key component was the introduction of a three-stage procurement process that segregates bid specification, bid evaluation and bid adjudication.

3.2.2. This was the second year of profitability for ACSA, which again declared dividends to its shareholders.

3.2.3. During the COVID -19 recovery period, expenditure, including on maintenance and upgrades, at ACSA was limited to support the day-to-day operations.

3.2.4. ACSA has a commercial airport management agreement in place with the Democratic Republic of Congo (DRC). Implementation has however been slow, largely because

the ongoing war in the Country. ACSA has also undertaken operational readiness for Ghana and two airports in Zambia.

3.2.5. Small airports such a Kimberly, with few flights per day, are cross subsidised as they are not financially viable on its own.

3.2.6. Members questioned why expenditure is focused on major hubs with disproportionate investment in smaller areas. Members were encouraged to view the network in its entirety where major hubs have the capacity to consolidate and fly out cargo from smaller airports. Increased capacity in major hubs therefore have the potential to ignite the manufacturing, production and agricultural sectors across the Country.

3.2.7. ACSA has observed the increased fuel import dependence as a result of the closure of South African Petroleum Refineries (SAPREF), South Africa's largest oil refinery, located in Durban. It previously maintained an eight - day contingency reserve in its storage tanks. As a mitigation measure it has increased its contingent reserve to 10 days and is constructing more storage tanks.

3.2.8. ACSA's procurement is aligned to the Department of Trade, Industry and Competition (DTIC) localisation strategy and is utilising the DTIC list of locally produced products. It has also partnered with the Gauteng Development Agency to identify accredited service providers.

3.2.9. The tour of the ACSA operations at ORTI included the following:

i. Walk - through at installation of LED lighting.
ii. Operations at the Airport Management Centre where all stakeholders are housed including South African Police Services (SAPS), Airlines, Ekurhuleni Metropolitan Police Department and ground handlers. Various operations are managed from the Centre, including assigning manpower to congested areas during peak periods at areas such as the Boarder Management Control counters.
iii. The occurrence of baggage pilfering during baggage handling was acknowledged, and members were informed of current and planned efforts to reduce this.

iv. Walk - through at Jan Smuts International Departures, which is the oldest part of the airport. The check-in terminal will be upgraded to improve ambiance, modernise design, improve lightning and eradicate odours emanating from the aged sanitation system.

v. Site visit to the Foxtrot Project where members observed construction of the wet sump (the collection point for sewer from the airport) and the dry wall as well as the installation of gravity beam. The project is aimed at replacing the sanitation system outlet from the Jan Smuts International Departures. The project is currently at 78% completion with a final completion date of February 2026.

3.3. Recommendations

3.3.1. That the Minister of Transport be invited to brief the Select Committee on the Terms of Reference and progress of the Task Team established to assess the capacity of airports owned by Provincial and Local Government.

3.3.2. That the Minister of Transport be invited to brief the Select Committee on the National Airport Development Plan and the potential for the Constitutional reassignment of non-functional Provincial and Municipal airports to ACSA.

3.3.3. That ACSA provide the Select Committee with a report on its Socio – Economic Development and Corporate Social Investment initiatives within 30 days of the adopted of this Report. It was noted that ACSA defines it target area for Socio – Economic Development as being communities within a 10km radius of its airports.

4. Passenger Rail Agency of South Africa (PRASA) Gibela Train Manufacturing Facility

4.1. Overview

The Gibela Train Manufacturing Plant is located in Dunnattar, Springs, in the Gauteng Province. Maintenance operations are located in the Gauteng, KwaZulu – Natal and Western Cape Provinces and a repair centre is located in Midrand in the Gauteng Province. The CEO

of Prasa, Mr H Emeran, made opening remarks and the presentation was led by Mr M. Nyanteh, a Non – Executive Director on the Gibela Board.

Gibela's commercial and operational activities commenced in April 2014 and are guided by two contracts being a Manufacturing and Supplier Agreement (MSA) and a Technical Support, Spares and Supplier Agreement (TSSSA). The obligations under the respective agreements are as follows:

Manufacturing and Supplier Agreement	**Technical Support, Spares and Supplier Agreement**
• Construction of a new manufacturing facility (70ha, R1bn) in Dunnottar (completed) • Delivery of 600 electric multiple unit (EMU) trains (3, 600 vehicles). • Supply of capital spares, tools, test equipment and driver training. • Implementing warranty service for 2 years. • Achievement of 65% localisation.	• Supporting the 600-train fleet over 5 depots over 19 years (2016 –2035). • Technical support and full material management. • Level 4 maintenance (overhaul in 3 repair centres). • Performance commitments: fleet reliability (continuation of MSA). • Achievement of 65% localisation.

Component repairs and overhauls are conducted at the Midrand Repair Centre, which has significantly reduced repair times. The Centre also houses the Central Fleet Support Centre which provides real-time oversight of the entire fleet, enabling quick response to operational issues and disruptions and ensures Gibela readiness to provide technical support remotely.

The attainment of local socio – economic and empowerment objectives include maintaining a staff complement of more than 1200 which supports the rolling stock, traction motors production and commercial services. Thirty – eight percent (38%) of the workforce is sourced from neighbouring communities. Emphasis was also placed on the multiplier effect of the plant operations. This includes enhancing the capacity of the rail sector through, amongst other, key economic development outputs such as:

i. Transfer of technology by OEM's (such as for cabin structures and cubicles).
ii. Leveraging existing capacity of local suppliers particularly for interior and metallic suppliers to create jobs, with a local content spend of R26.5billion.
iii. Increasing capacity of local suppliers through the GIBELA Supplier Development Programme.

iv. Effecting the African Union decision taken as far back as 2013 that South African is to become the rolling stock manufacturer for the Continent. Currently, the Facility is one of the leading manufacturing facilities globally.

v. Procurement to the value of R3.3billion from Black Women Owned Suppliers.

vi. Maintaining a R81.4million cumulative Enterprise Development Fund investment.

4.2. Observations

4.2.1. Members ask further details about how skills development and skills transfer have taken. More than 100 staff have been trained in Europe in world-class engineering, manufacturing courses and tool-related skill development as well as maintenance. Gibels also provides driver training to PRASA drivers through a driver simulator in the Gauteng and Western Cape Regions. Gibela has advanced rail related skills development which included engineers, artisans, technicians through more than R800m in skills development commitments spent.

4.2.2. Gibela was asked how it balances the development of local supplies with the need to maintain safety and industry standards. The Enterprise and Supplier Development Fund was said to package support in three ways. The first is providing suppliers access to funding, favourable credit terms and free issuing of material. Secondly, suppliers are provided with technical and industry support with training/access to technical expertise/ support to acquire tools and equipment to improve on - time delivery. Lastly, through an incubation model, suppliers are provided with access to specialists, business guides and mentorship programme

4.2.3. Studies have shown that amongst the lowest income earners in South Africa, more than 57% of monthly earnings is spent on transport and electricity. The Committee therefore asked how the facility outputs will improve access to affordable and safely commuter rail transport. The linkages were drawn as follows:

i. The facility has already produced 300 train sets, which will be deployed on recovered rail corridors such at the central line in Cape town where the corridor to Mitchell's Plain is anticipated to be operation by the end of this year.

ii. On -time performance has improved drastically from a low of 60% four years ago to a current 90% performance.
iii. Passenger trips have increased year on year from 39 million to 77 million during the 2025/26 financial year.

4.2.4. The tour of operations at the Facility included the following:

i. Walk - through of manufacturing including the use of welding robots in safety critical components of production.
ii. Walk - through of the individual manufacturing stages as well as the assembly of the completed train sets developed to accommodate South Africa's 1.067m gauge rail tracks. The sets have a capacity of up to 1 200 passengers in six cars with a modular design which allows for adjustments during periods of fluctuating demand.
iii. Testing a newly assembled train on the 1.2km test track where trains can reach speeds of up to 60km/h.
iv. Members engaged with plant employees who shared positive experiences about working conditions and promotion opportunities. Members relayed their pride in how employees are executing their tasks.

4.3. Recommendations

4.3.1. That the Select Committee commend the Minister of Transport as well as the Passenger Rail Agency of South African (PRASA) and Gibela Board on operations at the Facility and its contribution to Local Economic Development and Empowerment.

4.3.2. That progress in the appointment of an Economic Development Monitor (EDM) to verify the attainment of localisation targets be included as a standing item during the Select Committee's consideration of Mid – year Performance Monitoring Reports and Annual Reports.

5. Department of Public Work and Infrastructure, Salvokop Government Precinct

5.1. Overview

The briefing was led by Ms F Lournes, Development Programme Manager for the Tshwane Inner City Regeneration Cabinet Progamme and Chief Architect at the DPWI. The Cabinet Progamme was launch following a Cabinet Directive issued in 1997, that all Government Departments are to remain within the inner city bounds of the Pretoria Central Business District (CBD). The Salvokop Government Precinct ("the Precinct") Development forms part of the Tshwane Inner City Regeneration Cabinet Progamme and will deliver a mixed-use development that will accommodate government departments, residential units, and commercial spaces through SMART City principles. An MOU is in place between the DPWI, City of Tshwane, National Treasury and the Government Technical Advisory Centre (GTAG) that coordinates Public Private Partnership (PPP) projects and provide technical support.

The Development is divided into three phases, with Phase 1 focused on bulk services installations and the construction of four head offices for the Departments of Higher Education and Training (DHET), Social Development (DSD) and its agencies the Social of South Africa (SASSA), and National Development Agency (NDA), the Department of Home Affairs (DHA) the Department of Correctional Services (DCS). The PPPP proposals and models for the four head offices have been registered with the PPP unit in National Treasury. The Feasibility Study for the DCS project and DSD projects have commenced, and the Study for the DHA has been finalised.

The on - site visit was aimed at observing progress on Phase 1A of the Department, being the installation of bulk and internal infrastructure services. Phase 1A contractors were appointed in August 2021 and R710 839 270 (92.9 %) of the project budget of R 764 801 872 have been spent. Expenditure on SMME contacts exceeded the 30% required, with expenditure amounting to 34%. Project Progress is at 95% with progress in the various work packages being as follows:

Work Packages	Percentage of Completion
Internal Civil Works/ Engineering Services	95%
Reservoir and Bulk Pipeline	100%
Internal Electrical Works: 100%	100%
Bulk Electrical works – Prince's Park Substation: 86%	86%

5.2. Observations

5.2.1. The project team was asked to draw the link between Precinct development and the capacity of the DPWI to execute its mandate. The Development responds to the Property Management Trading Entity (PMTE) Optimisation Strategy through revenue generation and investment via the establishment of commercial properties within mixed – used precincts and further by a reduction on the reliance of private leases.

5.2.2. The Department was asked to identify the most immediate return on investment expected from the Development. In response, it indicated that 35 leases could potentially be cancelled across the seventeen Phase 1 projects, resulting in estimated annual savings of approximately R413 million.

5.2.3. Construction activities are currently suspended due to the illegal occupation of land designated for the third access road to the Development. Social facilitation with the households is ongoing, however the DPWI also applied to court for an eviction order. The Judge presiding over the case conducted an in – situ inspection of the site and the next court date is awaited.

5.2.4. The Project team was asked to provide reasons for project delays since the start of Phase 1. Community unrest resulted in the main contractor being “locked out” of the site during three months in 2021 and in five months in 2022. An external consultant was subsequently appointed to manage community relationships and the appointment of local labour and SMME’s. A dedicated Social Facilitator has also been appointed.

5.2.5. The Committee acknowledged the complex balance between complying with the provisions of the Prevention of Eviction from and Unlawful Occupation of Land Act, 19 of 1998 that protects against arbitrary evictions on the one hand and ensuring that community interests do not hold projects hostage. The Department reported on steps taken as part of the engagements with the households which include the identification of an alternative site provided with a sanitation, water connections and a commitment from the Municipality to provide water tankering services. An enumeration study has been undertaken, and qualifying households have been identified for the provision of temporary recollection units.

5.2.6. The Project team was asked to quantify the outstanding bulk services contributions from the joint DSD projects and DHET projects which was as relayed as being R68million and R41 million respectively. The DSD invoice was issued in 2020 and the DHET invoice issued in 2024 with subsequent correspondence sent to the Directors General of the respective Departments on numerous occasions. As the project lead, DPWI has a contractual obligation to pay the contractors but cannot currently do so due to cashflow constraints. Project completion and the investment of R880 million spent to date is therefore at risk should the contractors institute legal proceedings in respect of the outstanding amounts.

5.2.7. Given the poor track record in respect of the maintenance of government budlings, the Committee enquired what the maintenance model will be for the Precinct. The Department responded that maintenance will be undertaken as set out in the Precinct Maintenance and Management Plan that has been quantified and Client Department levies already provisionally calculated. The Precinct Manager will be responsible for maintaining the entire precinct including cleaning, security services, landscaping and lighting. In addition, an MOU will be entered into with the City of Tshwane for a further maintenance contract through its Community Upliftment Precinct Initiative.

5.3. Recommendations

Committee outlines the following policy recommendations:

5.3.1 *Contract Management:* That the DPWI urgently finalise the appointment of a security management services contract, anticipated to commence in 2026. The Project Team has highlighted the need to secure vacant land and serviced sites to prevent further land invasions and vandalism of infrastructure.

5.3.2. *Bulk Services Contributions:* That the Select Committee write to the Parliamentary Committees responsible for the DSD and DHET portfolios, requesting that these Committees engage their respective Ministers to highlight the risks posed by the nonpayment of bulk services contributions, which could jeopardise the finalisation of the Development.

Report to be considered