

Department of Infrastructure Development

NCOP

MINISTERIAL BRIEFING SESSION ON INFASRUCTURE

Accelerating the Implementation of the National Infrastructure Plan
for Employment Creation and Development

07 SEPTEMBER 2021



GAUTENG
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

GGT2030
GROWING GAUTENG TOGETHER

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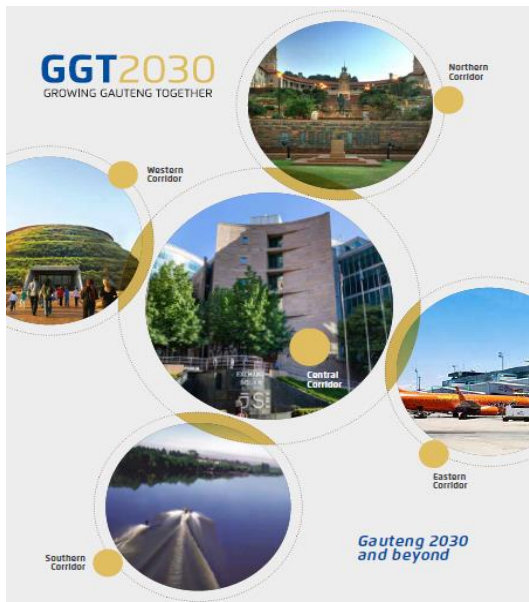
PURPOSE OF THE PRESENTATION

- A briefing on key investment infrastructure projects within the Gauteng Province
- To provide visibility of the current challenges inhibiting the delivery of Infrastructure in the Gauteng Province

BACKGROUND

The Gauteng Provincial Government continues to facilitate and economic growth and development in the province

Growing Gauteng Together 2030



Vision – Growing Gauteng Together 2030

- All South Africans have access to **affordable, reliable and safe drinking water**
- Universal access to hygienic sanitation
- At least 90% of South Africans have **access to grid electricity**, with the remainder accessing electricity from off-grid resources, and
- Improved productivity of infrastructure and increased levels of public and private investment to a combined 30% of GDP

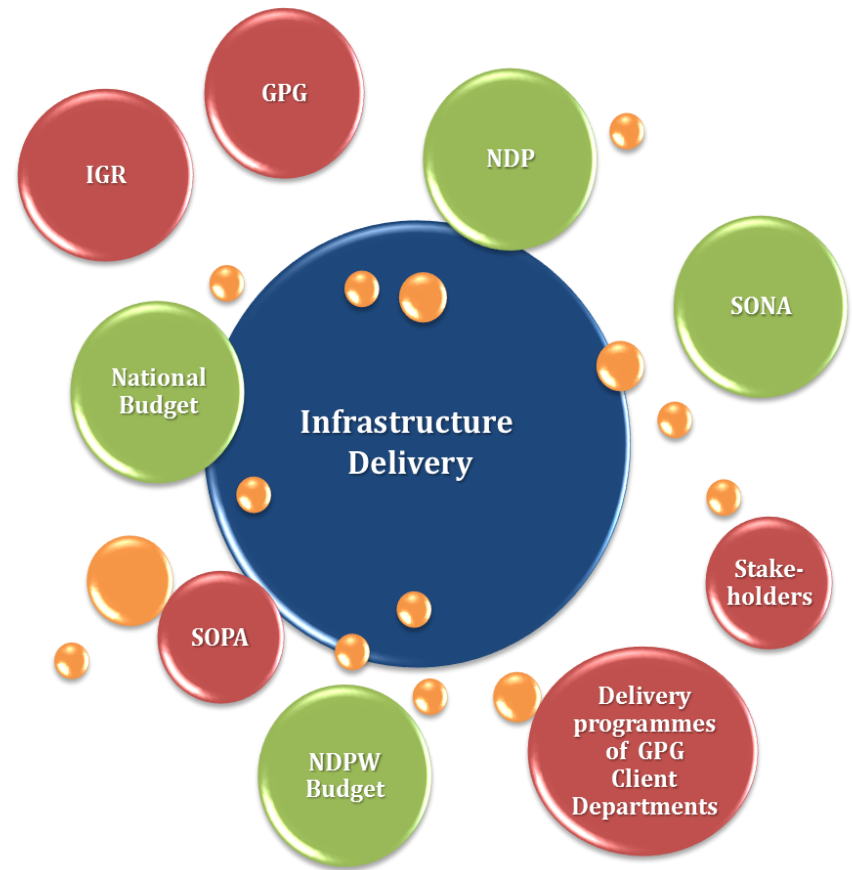
The Gauteng Provincial Government has identified **infrastructure development as of strategic importance** to achieve the set goals

INFRASTRUCTURE DELIVERY – A KEY DRIVER

The ability to develop infrastructure will underpin the radical transformation agenda of Gauteng across all development corridors.

National Infrastructure Plan seeks to transform the economic landscape while simultaneously creating significant numbers of new jobs, and strengthen the delivery of basic services.

Infrastructure Delivery will enable decisive steps to make Gauteng an integrated city-region, characterised by social cohesion and economic inclusion; a leading economy on the continent underpinned by smart and green industrial and socio-economic development.



OVERVIEW OF EXTERNAL AND INTERNAL ENVIRONMENT ANALYSIS

Context:

The Department executes its mandate in a complex environment, impacted by global, national and provincial events, which directly affect the pursuit of its desired impact and in delivering on its mandate

Macro Socio-Economic Environment

- ❑ South Africa's macro socio-economic environment has mostly been under pressure over the past term of government, characterised by a lower-than-expected growth rate, high structural unemployment, among the highest inequality levels in the world and unsustainable poverty levels
- ❑ The 2014-2019 period has fallen far short of the trajectory required by the National Development Plan to reduce unemployment to 6%, eliminate poverty and sharply reduce inequality by 2030

EXTERNAL ENVIRONMENT - SECTOR SOCIO-ECONOMIC TRENDS

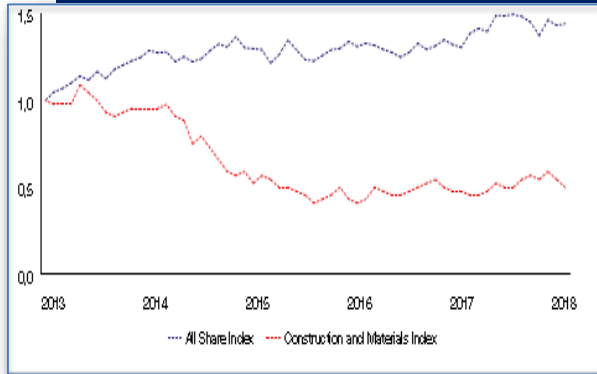


Fig 1 - Index Comparison

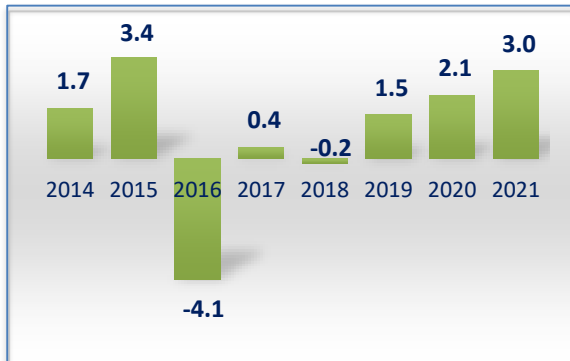
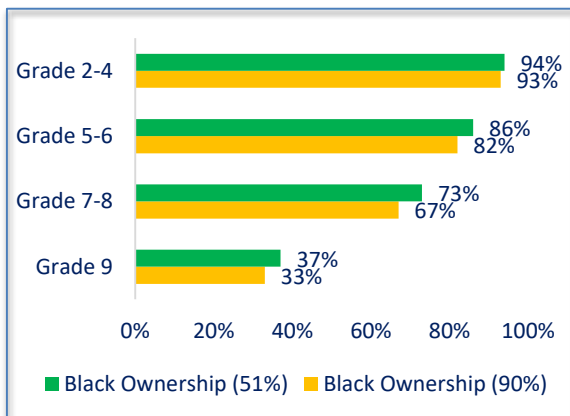


Fig. 2. Gross Fixed Capital Formation (Y on Y % Change)



Poor Local And Global Economic Climate

- Policy uncertainty, poor governance within state-owned entities and endemic corruption and collusion (now well-publicised) have impacted on public infrastructure spending
- Low economic growth has stifled private investment in the country contributing, to five quarters of consecutive decline for the industry - STATS SA
- Negative market sentiment following a difficult period has seen significant shareholder value lost within the sector, depicted by the performance of the Construction and Materials Index against the All Share Index (**Figure 1**)
- Fixed capital formation remains weak; largely due to declining investment by public corporations and government as well as weaker business confidence, as suggested by the most recent RMB/BER Business Confidence Index

Shrinking Profit Margins

- Stiff competition for work has resulted in keen bidding, lower margins and an increased prevalence of loss-making projects
- Local revenues and order books continue to shrink resulting in further job losses in order to match capacity with activity
- Large construction players going into business rescue (*Aveng**, *WBHO**, *Group 5**, *Basil Read**, *Esor**, *Liviero*)

Community Disruptions

- Increased interruptions of projects by community based business forums seeking more opportunities in the delivery of projects is also being witnessed

Progress in Transformation of the Sector

- The latest CIDB Construction Monitor, shows that the Grade 1 to 8 segment of the construction industry is now fully transformed with over 70% of companies being more than 51% black owned

GCR POPULATION DYNAMICS

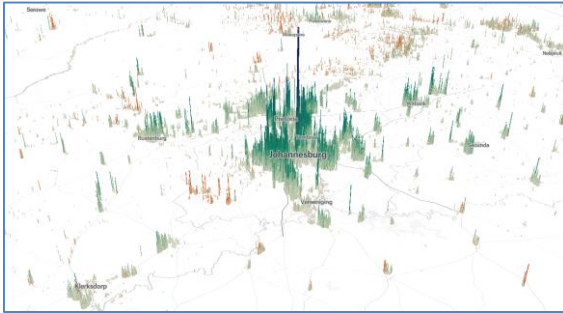


Fig.1. https://pudding.cool/2018/10/city_3d/
32 million people reside on the screen (GCRO)

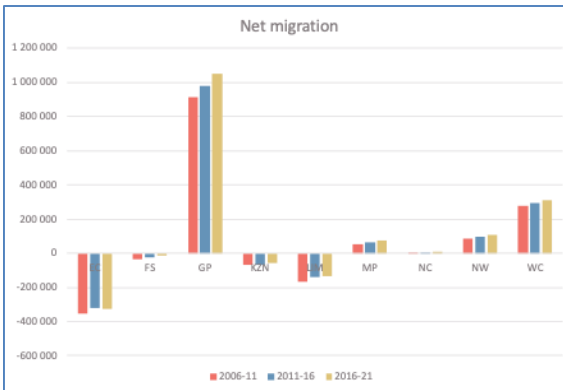


Fig. 2. Gauteng - Net Migration (GCRO)

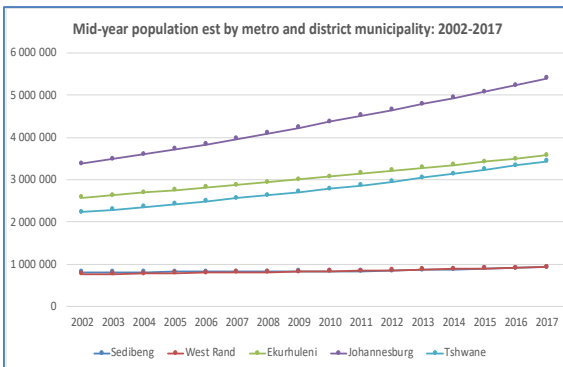


Fig. 3. Gauteng - Population Growth (GCRO)

Urbanisation - the growth and decline of Gauteng cities/towns

- Note the red peaks (decline) in the maps
- It is not simply that the urban population is growing in proportional terms (i.e. what % is urbanised)
- The rural population is declining in absolute terms, however, important to understand that this does not necessarily mean the flooding of cities with rural migrants. There are many new urban settlements in the heart of rural areas.
- Declining towns and cities still require development/ rejuvenation

Urbanisation – inter-provincial movements

- Between 2016 and 2021 it is estimated that some 500 000 people will move out of Gauteng
- 1 600 000 will move into Gauteng
- Leaving a net increase from migration of +1 000 000 over the current five years
- To this must be added natural or internal growth

Gauteng population growth

- The population of Gauteng is estimated at 15 176 116 in July 2019
- It grew by approximately 450 000 between 2017 and 2018
- 8 600 per week
- StatsSA estimates that Gauteng will grow 1 800 000 in the current five year period to 2021

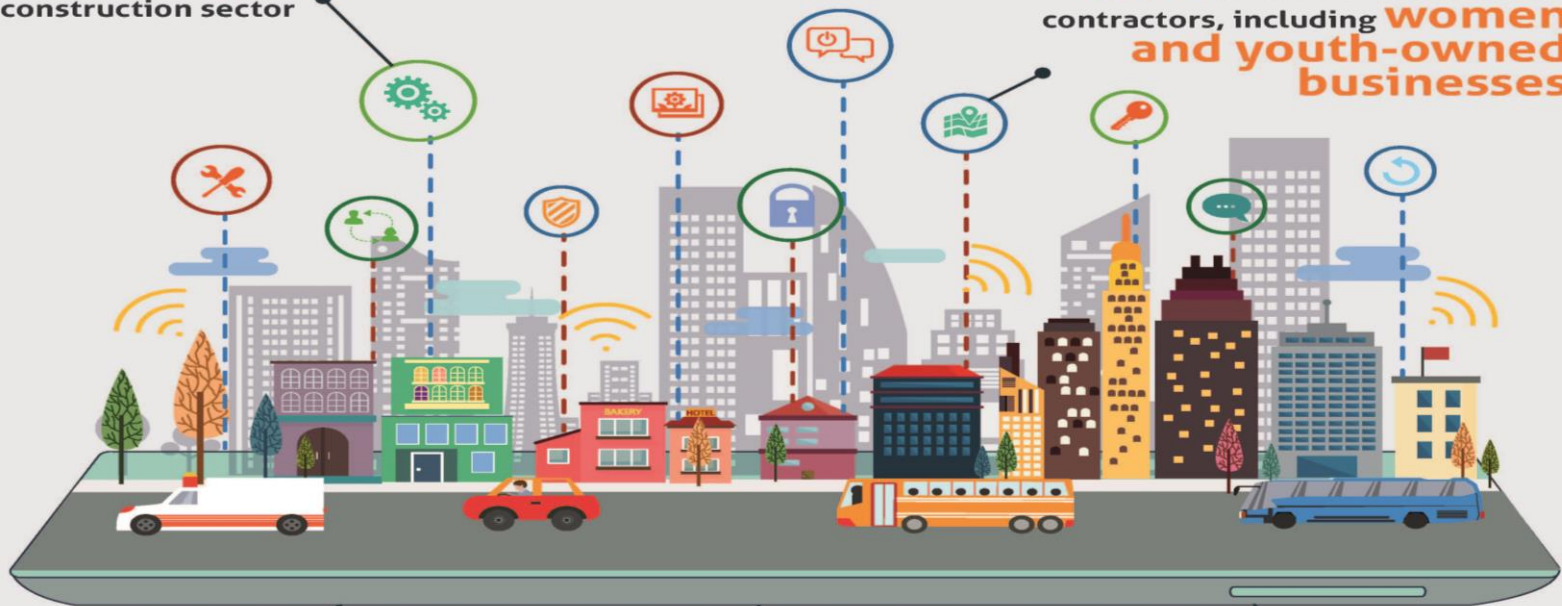
As a metaphor, the population of Gauteng is growing by 'a Soweto' every five years (GCRO, Quality of Life Survey IV)

Using Infrastructure Programmes to Create Local Employment

Infrastructure

Facilitate the creation of **100 000 jobs** in the construction sector

Empower **50 emerging black firms** as contractors and sub-contractors, including **women and youth-owned businesses**



Revitalise regional economies, decaying CBD's, old towns and old townships

Roll-out **high-speed broadband** access to deprived areas and ensure last mile connectivity

Invest in infrastructure that supports clusters of township businesses to expand, access markets and prosper

OVERVIEW SOCIAL INFRASTRUCTURE PROJECTS

- The below table illustrate the infrastructure projects completed as from 2019 to 2021 financial years

Year	Education Capex Projects	Health Capex Projects	STARS Capex Projects
2019/20	14	3	4
2020/21	11	10	4
Total	25	13	8

DETAIL BREAK-DOWN OF PROJECTS COMPLETED (2019/20FY)

Education Infrastructure

No.	Project name	Project Description	Municipality	Township	Corridor
1	Westbury Secondary School	Comprehensive Refurbishment	Johannesburg	Westbury	Central Corridor
2	Laerskool Vaal Riviere	Renovations and Rehabilitations	Emfuleni	Vanderbijlpark	Southern Corridor
3	George Mbilase Primary School	Renovations and Rehabilitations	City of Ekurhuleni	Daveyton	Eastern Corridor
4	Amos Maphanga Secondary	Renovations and Rehabilitation	City of Ekurhuleni	Daveyton	Eastern Corridor
5	Ivory Park Primary School	Grade R	City of Ekurhuleni	Tembisa	Eastern Corridor
6	Aurora Girls High School	Renovations and Rehabilitations	City of Johannesburg	Soweto	Central Corridor
7	Springs Secondary School	Renovations and Rehabilitations	City of Ekurhuleni	Springs	Eastern Corridor
No.	Project name	Project Description	Municipality	Township	Corridor
8	Katorus College	Demolition of existing structures	City of Ekurhuleni	Vosloorus	Eastern Corridor
9	Laerskool Klipdrift	Construction of boundary wall	City of Tshwane	Klipdrift	Northern Corridor
10	Magasela Primary School	Erection of Palisade Fencing	Sedibeng	Vereeniging	Southern Corridor
11	Lebogang Primary School	Erection of Palisade Fencing	City of Tshwane	Garankuwa	Northern Corridor
12	Mayibuye Primary School*	New school	City of Ekurhuleni	Tembisa	Eastern Corridor
13	Nkumbulo Secondary	Restorative repairs	City of Ekurhuleni	Kwathema	Eastern Corridor
14	Noordgesig Primary School	Demolition and New school	City of Johannesburg	Noordgesig	Central Corridor

DETAIL BREAK-DOWN OF PROJECTS COMPLETED (2019/20FY)

Health Infrastructure

No.	Project name	Project Description	Municipality	Township	Corridor
1	Dewagensdrift Clinic	New clinic	City of Tshwane	Cullinan	Northern Corridor
2	Charlotte Maxeke Academic Hospital	Upgrade and renovation of psychiatric ward	City of Johannesburg	Parktown	Central Corridor
3	Helen Joseph Psychiatric Hospital	Upgrade and Renovation of Psychiatric ward	City of Johannesburg	Westbury	Central Corridor

STARS Infrastructure

No.	Project name	Project Description	Municipality	Township	Corridor
1	Operation Mabaleng	New Sport Complex	City of Johannesburg	Westbury	Central Corridor
2	Atteridgeville Community Library	New library	City of Tshwane	Atteridgeville	Northern Corridor
3	Kokosi Community Library	New library	Emfuleni	Foschville	Southern Corridor
4	Bank of Lisbon	Demolition of Bank of Lisbon	City of Johannesburg	Johannesburg	Central Corridor

DETAIL BREAK-DOWN OF PROJECTS COMPLETED (2020/21FY)

Education Infrastructure

No.	Project name	Project Description	Municipality	Township	Corridor
1	Klipspruit West Secondary School	Restorative Repairs	City of Johannesburg	Soweto	Central Corridor
2	Abram Hlophe Primary School	Restorative repairs and Additions	City of Ekurhuleni	Katlehong	Eastern corridor
3	Laerskool Kameelfontein	Restorative Repairs	City of Tshwane	Kameelfontein	Northern Corridor
4	Bafikile Primary School	Renovations and Rehabilitations	City of Johannesburg	Soweto	Central Corridor
5	Malvern Primary School	Renovations and Rehabilitations	City of Johannesburg	Malven	Central Corridor
6	Roseneath Primary School	Renovations and Rehabilitations	City of Johannesburg	Parktown	Central Corridor
7	Mamelodi East Per-Vocational School	Upgrading existing Special Schools for Autism	City of Tshwane	Mamelodi	Northern Corridor
No.	Project name	Project Description	Municipality	Township	Corridor
8	Setlabotjha Primary School:	Major additions to an existing Primary School	Sedibeng	Sebokeng	Southern Corridor
9	Kamohelo Primary School	Restorative repairs	Merafong	Carletonville	Western Corridor
10	Matla Combined School	Emergency Scope (Repairs of sagging Veilings, falling cornices, Fascia and Barge boards, broken windows and plumbing)	Mogale city	Krugersdorp	Western Corridor
11	Laesrkool Mayville	Structural repairs and paintworks	City of Tshwane	Mayville	Northern Corridor

DETAIL BREAK-DOWN OF PROJECTS COMPLETED (2020/21FY)

Health Infrastructure

No.	Project name	Project Description	Municipality	Township	Corridor
1	Phillip Moyo CHC	Extension and refurbishment of maternity unit	City of Ekurhuleni	Etwatwa	Eastern Corridor
2	Jubilee Hospital	Project Description: Design, Construction and Commissioning of Hospital Facility with 300 ICU Beds	City of Tshwane	Hamman kraal	Northern Corridor
3	Chris Hani Baragwanath Hospital ABT	Project Description: Design, Construction and Commissioning of Hospital Facility with 500 ICU Beds	City of Johannesburg	Soweto	Central Corridor
No.	Project name	Project Description	Municipality	Township	Corridor
4	Dr George Mukhari	Refurbishment and Repurposing for 301 Covid-19 beds	City of Tshwane	Garankuwa	Northern Corridor
5	Tshwane District Hospital	Refurbishment and Repurposing for Covid-19 beds	City of Tshwane	Garankuwa	Northern Corridor
6	Kopanong Hospital	Refurbishment and Repurposing for 45 Covid-19 beds	Emfuleni Municipality	Vereeniging	Southern Corridor
7	Helen Joseph Hospital	Refurbishment and Repurposing for 10 Covid-19 beds	City of Johannesburg	Johannesburg	Central Corridor
8	Chris Hani Bara Hospital	Refurbishment and Repurposing for 104 Covid-19 beds	City of Johannesburg	Soweto	Central Corridor
9	Tembisa Hospital	Refurbishment and Repurposing for 90 Covid-19 beds	City of Ekurhuleni	Tembisa	Eastern Corridor
10	Nasrec Field Hospital	Repurposing for 1500 Covid-19 Isolation and quarantine beds	City of Johannesburg	City of Johannesburg	Central Corridor

DETAIL BREAK-DOWN OF PROJECTS COMPLETED (2020/21FY)

STARS Infrastructure

No.	Project name	Project Description	Municipality	Township	Corridor
1	Rust Ter Vaal Community Library	Upgrading and refurbishment of an existing library	Sedibeng	Rusterval	Southern Corridor
2	Boipatong Community Library	Construction of a new community library	Emfuleni	Vanderbijlpark	Southern Corridor
3	Devon/Impumelelo ECD	Construction of New Building	Sedibeng	Devon	Southern Corridor
4	Ga Rankuwa CYCC	Construction of New office accomodation CYCC	City of Tshwane	Ga Rankuwa	Northern Corridor

EPWP PERFORMANCE

COORDINATING THE GAUTENG EPWP

Outcome	Sphere	Outcome indicators	Baseline	Targets						
				2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL	
Coordinate Gauteng EPWP Poverty relief and improved employability of programme beneficiaries	GPG Provincial Departments	Number of Expanded Public Works Programme Work Opportunities created through GPG Departments								
		Infrastructure	173 762	20 166 (18 540)	20 977 (13 456)	21 009 (6 309)	21 283	21 665	10 5100	
		Environmental		776 (1 883)	1016 (1 496)	1552 (633)	1552	1552	6448	
		Social		23 720 (14 309)	22 310 (21 967)	22 369 (13 121)	22 463	22 590	113 452	
		TOTAL		44 662 (34 732)	44 303 (36 919)	44 930 (20 063)	45 298	45 807	225 000	
		Number of Expanded Public Works Programme Work Opportunities created through GPG Municipalities								
	Gauteng Municipalities	Infrastructure	154 882	33 127 (7 799)	33 315 (7 965)	33 414 (3 956)	33 376	33 418	166 650	
		Environmental		13 509 (14 791)	13 509 (7 118)	13 509 (2 541)	13 509	13 509	67 545	
		Social		8 116 (4 223)	8 116 (4 350)	8 116 (1 978)	8 116	8 341	40 805	
		TOTAL		54 752 (26 813)	54 940 (19 433)	55 039 (8 475)	55 001	55 268	275 000	

*Gauteng performance in EPWP – areas marked in black indicate targets , areas marked in red show annual performance per sphere and sector. 2021/2022 performance is reported as at August 2021

INTERVENTIONS IMPLEMENTED TO IMPROVE EPWP PERFORMANCE

All 20 Public bodies -Gauteng Provincial Departments and Municipalities are participating in the EPWP – poverty alleviation programme. Municipal performance has declined considerably since 2019/ 2020 Financial year.

Interventions

- As part of DIDPM's co-ordination role, interventions are being put in place to assist Public bodies to achieve their targets in EPWP job creation.
- Oversight sessions conducted through EPWP Governance structures
- Capacity building programmes are being rolled out to ensure public bodies are able to implement and meet job creation targets. These interventions include: EPWP Reporting system training, Labour Intensive Construction (LIC) training. assistance in data capturing and data quality processes
- Strategic one-on-one engagements are conducted to find solutions to challenges within Public bodies.
- Data Quality and compliance workshops conducted to alleviate Audit findings
- Monitoring of performance through site visits and feedback sessions with Sectors at Quarterly reporting sessions through the Provincial Steering committee (PSC). Recovery plans reported by each public body at PSC.

TRAINING AND SKILLS DEVELOPMENT ON EPWP 2020- 2023

TARGETTED GROUPS	TRADES	NQF LEVEL	TYPE OF LEARNING	NUMBER OF PARTICIPANTS TRAINED
	PRE-ASSESSMENT			2500
NATIONAL YOUTH SERVICE	ELECTRICAL	NQF LEVEL 3/4	Skills programme	139
	PLUMBING	NQF LEVEL 3/4		117
	FITTING AND TURNING	NQF LEVEL 3/4		51
	BOILER OPERATOR	NQF LEVEL 3/4		48
	BRICKLAYING	NQF LEVEL 3/4		33
	CARPENTARY	NQF LEVEL 3/4		55
	MECHANICAL	NQF LEVEL 3/4		42
	AIRCON AND REFRIGERATION	NQF LEVEL 3/4		43
	PAINTING	NQF LEVEL 3/4		16
	GAP TRAINING	ADDRESSING SHORTCOMINGS PRIOR TO ASSESSMENT		AS REQUIRED
	NEW VENTURE CREATION/ SMME DEVELOPMENT	NQF LEVEL 4	FULL QUALIFICATION	2500
	ICT TRAINING	NQF LEVEL 3/4	SKILLS PROGRAMME	69
	ENTRY INTO THE PUBLIC SERVICE	Certificates of Attendance	SHORT COURSE – Conducted National school of Government	2500
PERSONAL FINANCE	SOFT SKILLS		2500	
WORKPLACE ETIQUETTE	SOFT SKILLS		2500	
EMPOWERMENT PROGRAMMES	CAPEX Maintenance Projects	NQF level 2 – unit standards	Skills programme	Across infrastructure projects implemented by DIDPM
	Women In Construction	NQF Level 2 –Unit standards		20
	Contractor development Programme	NQF level 4		20

TRAINING AND SKILLS DEVELOPMENT ON EPWP 2020- 2023

TRAINING AND SKILLS DEVELOPMENT

- ❑ EPWP as a public employment programme is designed to equip participants with work experience and on-site training – which refers to theoretical/practical/workplace components of training undertaken – which either prepares participants (at the start of their work) or enables them (in situ) to acquire and immediately apply learned skills to effectively execute project activities.
- ❑ The strong returns from workplace-based training also demonstrates that training for the unemployed is not (just) about gaining qualifications.” As such, the EPWP position is that integrated work training on site is fundamental to the future success of the project and the participant.
- ❑ Training on EPWP projects must clearly specify, recognise, record and monitor the delivery of such training (whether accredited or non-accredited) to give participants more leverage in the labour market where possible, to enhance participants’ ability to earn a living in the future.
- ❑ Gauteng EPWP has positioned itself to ensure that some training occurs on infrastructure projects, however the National youth Service programme implemented by DIDPM will provide accredited training to all 2500 participants to maximize their employability and ensure sustainable exit strategies.
- ❑ The Contractor development programme within DIDPM further provides opportunities for Youth and Women to acquire skills through.

INFRASTRUCTURE DELIVERY CHALLENGES

INFRASTRUCTURE DELIVERY CHALLENGES

Outcome: Efficient and effective delivery of smart public infrastructure

Key Risks	Risk Mitigation
<input type="checkbox"/> Insufficient funding	<input type="checkbox"/> Exco approved funding model and plan implemented
<input type="checkbox"/> Inadequate capacity/resources to deliver at required rate	<input type="checkbox"/> Establish the capacity and capabilities to deliver quality infrastructure on time - skills, tools of trade and systems/processes
<input type="checkbox"/> Poor project and quality management processes	<input type="checkbox"/> Single point of responsibility in project management value chain implemented, and improved monitoring and accountability mechanisms
<input type="checkbox"/> Project disruptions	<input type="checkbox"/> Community involvement, improved communication (consultation)
<input type="checkbox"/> Delays in the approval of infrastructure projects	<input type="checkbox"/> Project partnerships (consultation, joint planning) and approved GPG project pipeline

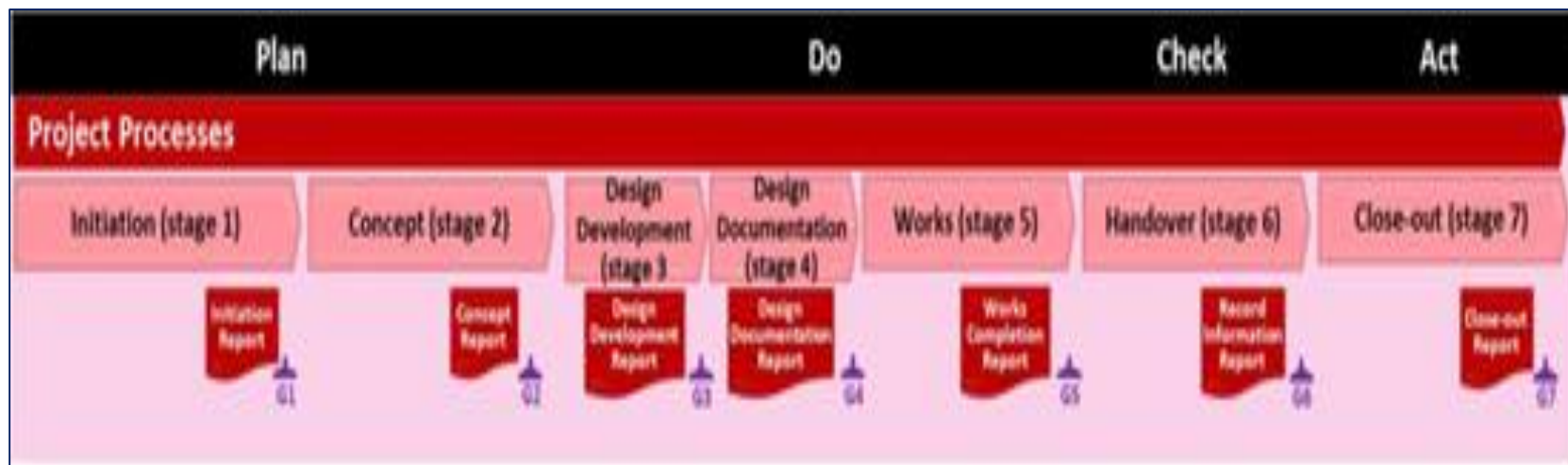
INFRASTRUCTURE DELIVERY INTERVENTION

PROJECT DELIVERY AND PROCUREMENT MANAGEMENT

THE INFRASTRUCTURE DELIVERY MANAGEMENT PROCESSES

- ❑ The infrastructure delivery management processes comprise of Portfolio, Programmes, Operations, Maintenance and Projects Project processes are typically linear, meaning a project process is performed in stages from start to completion. The Project stages of a project, from start to end are (i) Initiation; (ii) Concept; (iii) Design Development; (iv) Design Documentation; (v) Works; (vi) Handover; and (vii) Close-out.

Quality Management System



PROJECT DELIVERY AND PROCUREMENT MANAGEMENT

PROJECT PROCESS STAGES AND DELIVERABLES

Stages	Deliverables
The Initiation Stage	defines project objectives, needs, acceptance criteria, organization's priorities and aspirations, procurement strategies, and which sets out the basis for the development of the Concept Report.
The Concept Stage	represents an opportunity for the development of different design concepts to satisfy the project requirements, as developed during Stage 1
The Design Development Report shall as necessary:	Develop in detail the approved concept to finalise the design and definition criteria, Establish the detailed form, character, function and costings, Define all components in terms of overall size, typical detail, performance and outline specification
Design documentation provides	production information that details, performance definition, specification, sizing and positioning of all systems and components that would enable construction.
Works:	Completion of the works is certified in accordance with the provisions of the contract
Handover	Works which have been taken over by user or owner; completed training; Record Information
Close-out	The Close-Out Stage commences when the end user accepts liability for the works. It is complete when: b) Defects certificates and certificates of final completion are issued in terms of the contract

CONCLUSION

The ability to develop infrastructure will underpin the radical transformation agenda of Gauteng across all development corridors.

Funding Model Review

- ❑ Review the current funding of Infrastructure programmes to ensure that the implementing agent (DID) has access to all funds required to deliver the program thus enabling the scaling of the business to effectively deliver on it's mandate and to ensure contractors and SMME's are paid for the work conducted.

System Enablement

- ❑ The operationalisation of an improved infrastructure delivery profile will require a transition from a largely manual way of working, to a more automated and integrated operational style.

Capacity and Capability Development

- ❑ It is an imperative to upskill or redeploy the resources to ensure that GPG has “the right people, in the right place, at the right time” driving the Infrastructure delivery agenda for the province.