



Update on the National Infrastructure Maintenance Strategy (NIMS)

Key Government Initiatives in Support of Improving Infrastructure Maintenance

August 2008

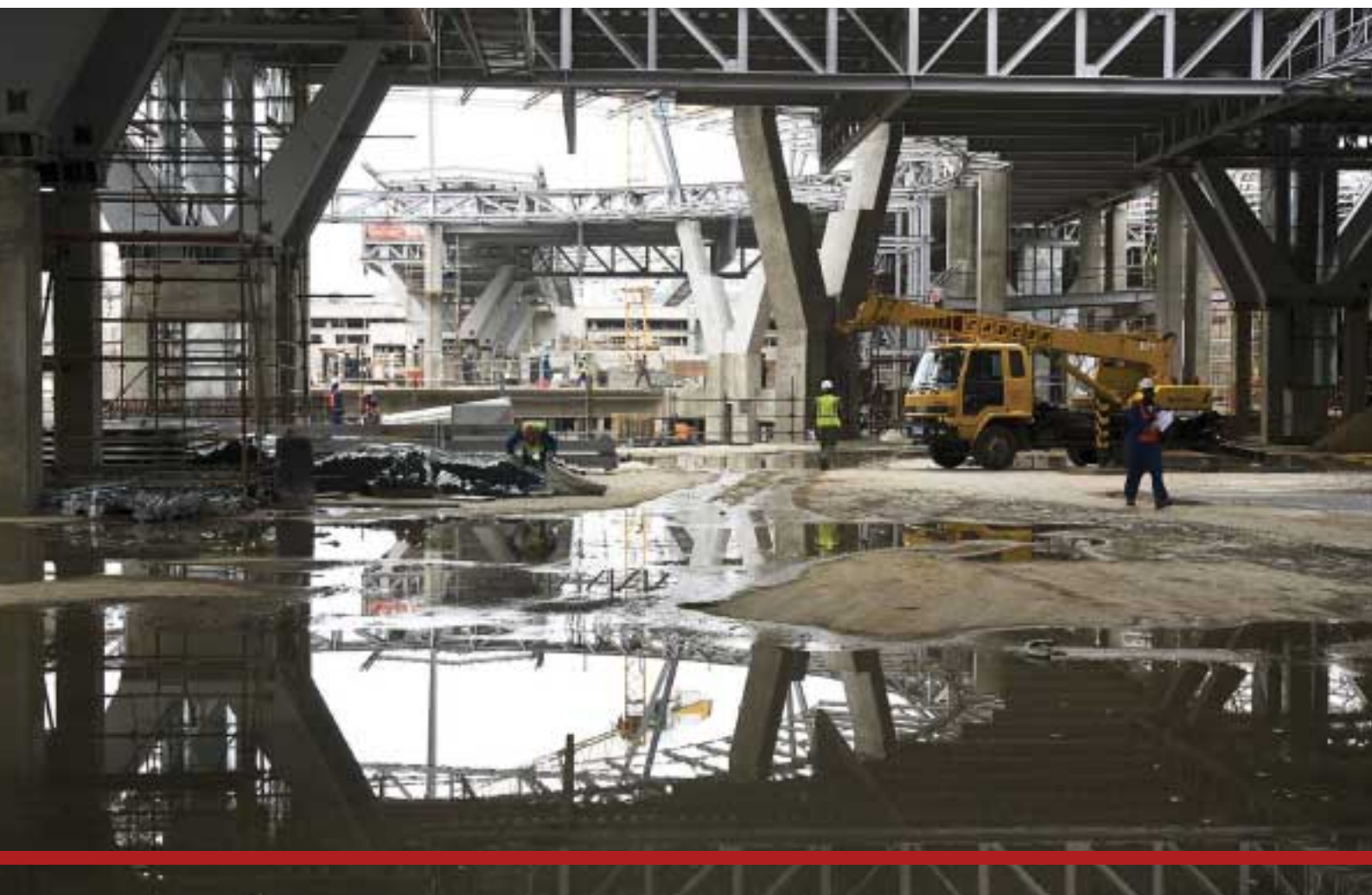
The National Infrastructure Maintenance Strategy

The National Infrastructure Maintenance Strategy (NIMS) is a coordinated programme of actions that is an essential part of government's vision of delivering infrastructure services to all. It was approved by Cabinet on 23 August 2006, and provides the proposed institutional arrangements for facilitating and managing the NIMS programme, key work components and task teams to address the actions set down within NIMS and a summary timetable for mobilizing the programme.

The NIMS was launched by Minister Thoko Didiza in May 2008.

A key focus of the NIMS programme is the facilitation of appropriate intergovernmental coordination to achieve the above actions by all government entities dealing with infrastructure maintenance, including national and provincial government, municipalities and state owned enterprises, in order to institutionalize and implement the recommendations in NIMS.

A number of key initiatives are currently underway within the government focusing on providing a foundation for improving infrastructure maintenance, and these key initiatives are described briefly in this update. It should be noted that this is not an exhaustive list, but indicates that significant progress is being made in the fundamentals necessary for improved infrastructure maintenance within the country.



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1. Context and Background - Need for Infrastructure Asset Maintenance

Cabinet has recognized the importance of infrastructure maintenance within Government and the role that effective maintenance will play in support of ASGISA. To this end cabinet has approved the National Infrastructure Maintenance Strategy (NIMS) and the Department of Public Works (DPW) supported by the Construction Industry Development Board (cidb) has been tasked with leading the implementation of the programme to deliver on the NIMS strategy.

The vision is that infrastructure shall be adequately maintained and operated, resulting in sustained service delivery, growth and employment creation, thus contributing to the goals of ASGISA. This will be achieved by improved infrastructure asset management planning, budgeting and implementation.

The four thrusts of the National Infrastructure Maintenance Strategy, implementation of which will lead to the achievement of this vision, are:

- i) Strengthening the regulatory framework governing planning and budgeting for infrastructure maintenance.
- ii) Assisting institutions with non-financial resources.
- iii) Developing the maintenance industry.
- iv) Strengthening monitoring, evaluation and reporting, and feeding this into a process of continuous improvement.

NIMS gives substance to present legislation, e.g. PFMA, MFMA and the Municipal Systems Act, which places an obligation on accounting officers "for the management of the assets of the entity, including the safeguarding and maintenance of those assets".

Many institutions will however not be able to improve their maintenance policies and practices without the strong direction and assistance from national government that will result from implementation of NIMS.

2. Key Initiatives within Government in Support of Improving Infrastructure Maintenance

A number of key initiatives are currently underway within the government focusing on providing a foundation for improving infrastructure maintenance. These key initiatives are briefly described below in order to provide an overview. It should be noted that this is not an exhaustive list but indicates that significant progress is being made in the fundamentals necessary for improved infrastructure maintenance within the country.

2.1 National Treasury - PFMA Amendment Bill

The PFMA Amendment Bill has been circulated amongst departments, provincial treasuries, constitutional institutional institutions and public entities with a view to soliciting comments on its contents. It was envisaged that the Bill will be finalised for submission to Parliament towards the end of June 2008.

The NIMS Project Steering Committee and the cidb have submitted comments to strengthen the (191 page) Bill on issues of infrastructure service delivery linked to asset management and maintenance.





2.2 National Treasury - Standard Chart of Accounts

National Treasury has embarked on a process to enhance the Standard Chart of Accounts (SCOA), with the inclusion of appropriate line items relating specifically to infrastructure maintenance, including the definitions of maintenance items and capital expenditure items.

The purpose of this SCOA classification is to provide guidance to all government financial practitioners on the classification of own account and outsourced transactions related to maintenance and repairs, upgrade and additions and rehabilitation and refurbishment of all asset types.

This will provide an important improvement to the financial system and will enable budgeting and expenditure specifically against these line items for improved planning, budget allocation and tracking of expenditure related to maintenance expenditure and refurbishment, thus providing an important monitoring tool.

2.3 National Treasury - Maintenance Planning within the IDIP

In partnership with the DBSA and cidb, National Treasury initiated the Infrastructure Delivery Improvement Programme (IDIP) targeted within the provincial departments of education, health and public works. The IDIP is currently planning technical support within these departments, focusing on improved infrastructure planning, programme and project management. The IDIP is underpinned by the cidb Infrastructure Delivery Toolkit.

Within the IDIP, maintenance has been highlighted in order for it to be incorporated into the multiyear infrastructure planning and delivery.

The National Treasury Provincial Infrastructure Unit is currently working on a guideline for schools maintenance, which will be incorporated within the IDIP. This strategy will significantly improve schools maintenance through improved institutional arrangements, clarified roles and budget allocation for school maintenance.

2.4 dplg - Comprehensive Infrastructure Plan

In terms of the Municipal Systems Act, municipalities are required to formulate an integrated development plan (IDP) to guide development within municipality. The current IDPs tend to be broad planning documents and are generally deficient in adequate infrastructure asset management plans.

In order to enhance the IDP process, the dplg has formulated a guideline for comprehensive infrastructure plans (CIP) which will underpin and strengthen the IDPs. The comprehensive infrastructure plans integrate sector infrastructure asset management plans (e.g. housing, water supply, sewage disposal, roads and stormwater, etc.). The utilization of infrastructure asset management planning principles will incorporate maintenance and total life cycles costing for infrastructure assets. This initiative will strengthen planning of maintenance and integration of maintenance within the total life cycle cost of municipal infrastructure.

2.5 DPW - Government Immovable Asset Management Act (GIAMA)

The GIAMA has now been enacted and DPW is mobilizing the implementation of the Act through the promulgation of regulations in terms of the Act. The objects of the act are inter alia to:

- provide a uniform immovable asset management framework to promote accountability and transparency within government;
- ensure effective immovable asset management within government;
- ensure coordination of the use of immovable assets with service delivery objects of a national or provincial department and the efficient utilisation of immovable assets;
- optimise the cost of service delivery by:
 - (i) ensuring accountability for capital and recurrent works;
 - (ii) the acquisition, reuse and disposal of an immovable asset;
 - (iii) the maintenance of existing immovable assets;

The introduction of GIAMA will assist in improving long-term maintenance through effective in movable asset management with assigned accountability and responsibility between client departments and the departments of public works.

2.6 DoH - Hospital Revitalization Programme

The National Department of Health in collaboration with the provincial departments of health have since 2003 been implementing the Hospital Revitalization Program, which incorporates the upgrading and maintenance of hospitals. This ongoing program will improve the health care facilities and incorporates an important component of maintenance.



2.7 SANRAL - Road Upgrading and Maintenance Programmes

SANRAL has embarked on an expansive road upgrading and maintenance program, which has already resulted in significant improvement of the country's road network. This incorporates scheduled and planned maintenance, in terms of a long-term infrastructure asset management plan. SANRAL has recently announced the GAUTENG road improvement program, which will include an important maintenance component. SANRAL continues to lead in best practice infrastructure asset management, with a strong emphasis on planned and preventive maintenance of the strategic national road network.

2.8 Provincial Roads Departments - Road Upgrading and Maintenance Programmes

The provincial departments of roads primarily in Gauteng, Western Cape and Kwa Zulu Natal continue to have significant road upgrading and maintenance programs, which are improving the road networks within these provinces, within the limits of available funding. In addition, particularly KwaZulu Natal Department of Roads has a strong community contractor development program "Vukuzakhe" linked to the road upgrading, which is also developing the maintenance industry with a strong emphasis on black economic empowerment within communities. This program includes the innovation of community based local maintenance contractors for sections of roads and is seen as a best practice in this regard.

2.9 DWAF - Water Services Infrastructure Asset Management Strategy

In May this year, DWAF announced the Water Services Infrastructure Asset Management Strategy which has been informed by the NIMS. The strategy will include workshops with municipalities to discuss infrastructure asset management related to the water sector, from which an implementation plan will be formulated (target date July 2008). This is an important initiative focusing in the water and sanitation sector.

2.10 Municipalities - Infrastructure Maintenance Initiatives

A number of municipalities most notably the metro's have increased infrastructure maintenance spending in parallel to spending on new infrastructure and the extension of services to the under serviced areas. For example, eThekweni Metro has an extensive road upgrading and maintenance program, as well as a water supply replacement and maintenance program focusing on replacement of aging water pipes, with prioritization of areas of major water loss through leaking pipes.

2.11 ESKOM - Maintenance of Generation and Transmission

The attention of the entire country was captured with the recent dramatic power outages, which has highlighted to the entire nation the need for maintenance and enhancement of the key strategic infrastructure in the country. As a result, government has committed funding (R60b) for ESKOM to improve the generation of power, as well as maintenance of the strategic transmission lines. The extent of the maintenance program is still to be determined nonetheless, the maintenance of the electricity infrastructure is now seen as a national priority.

2.12 Transnet - Capital Expansion and Refurbishment Program

Transnet has recently announced an R80b capital expansion and refurbishment program, which will also contain a significant maintenance component for aging rail and port infrastructure to be undertaken over a five year. This will give a significant boost within this specialist infrastructure sector.

2.13 DBSA - Siyenza Manje Programme

The DBSA is providing significant support to municipalities including targeted technical assistance through the Siyenza Manje Program. This program is assisting municipalities to improve the planning and implementation of new infrastructure, as well as

much needed maintenance of the existing aging infrastructure within the municipalities. This program has already showed good results.

2.14 The National Contractor Development Program (NCDP)

The NCDP is a government programme comprising of a partnership between the cidb, national and provincial public works and other willing stakeholders, in which the participating stakeholders commit their resources to develop previously disadvantaged contractors. The NCDP contains a significant focus on the development of the maintenance sector.

Linked to the contractor development program is the rollout of procurement reform within the construction industry, which includes procurement strategies that will strengthen the development of the maintenance sector.

3. Concluding Comments

The focus of government on maintenance is gaining significant momentum. Although not a comprehensive statement of all the maintenance related initiatives in the country, the initiatives highlighted here give a good idea of the renewed attention and focus on maintenance improvement through infrastructure asset management, as well as the development of the maintenance industry linked to a broad based black economic empowerment.



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