

NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

TRANSFERRED TO WRITTEN REPLY

QUESTIONS NUMBER: 835*294 [NW1077E]

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835★294. Ms K de Bruin (PA) to ask the Minister of Finance:

What has (a) been the progress on the implementation of the Public Procurement Act, Act 28 of 2024, and (b) he found to have been its impact on transparency and accountability?
NW1077E

REPLY:

- (a) The Public Procurement Act, 2024 (Act No. 28 of 2024) was assented to by the President and published as an Act in the Government *Gazette* on 23 July 2024. It is important to note that the provisions of the Act are not in force yet. The President will bring the provisions of the Act into operation through a proclamation in the *Gazette*. Section 69 of the Act enables the President to bring the provisions into operation on different dates (phased approach) and to determine different dates for different categories of procuring institutions such as national and provincial departments, national and provincial public entities and municipalities and municipal entities.

The Act also allows for the repeal or amendment of different provisions of a law to be brought into operation on different dates. For example, the repeal of the Preferential Policy Procurement Framework Act, 2000 (PPPFA), and Chapter 4 of the Act (including provisions of other Chapters necessary for its implementation) and required regulations should take effect on the same date.

Many provisions of the Act require regulations before the accompanying provisions of the Act could be brought into operation. The process of making regulations involves consultation with affected Ministers, SALGA, and the public and Parliamentary scrutiny as outlined in section 64 of the Act. Different regulations for different categories of procuring institutions and for different types of procurement are provided in section 64. The making of regulations regarding procurement of infrastructure and capital assets, and goods and services related to infrastructure and capital assets, are a mandatory requirement.

The recommendations on the effective dates of various provisions of the Act and the accompanying regulations will consider the readiness of the affected procuring institutions to implement.

The current procurement framework provided for under the Public Finance Management Act, 1999, the Municipal Finance Management Act, 2003, the PPPFA and other applicable legislation, remain in place until the relevant provisions of the Public Procurement Act, 2024, and accompanying regulations take effect.

The National Treasury is currently inducting government institutions on the Act as part of the consultation process. Due to the interest in this Act and as expressed during the parliamentary process, Parliament directed National Treasury to consult broadly and consider involving many external stakeholders in the development of the regulations.

(b) There is no impact because the Act is not in operation yet.