

Speech by Deputy Minister of Public Works Ntopile  
Kganyago at Setsoto in Ficksburg on 11 February 2006

The MEC for Public Works in the Free State  
The MEC for Local Government  
Members of Parliament  
Ladies and Gentlemen

It is an honour that I have been given the opportunity to address this occasion today where we celebrate the achievements of collaborative government.

I will take today's occasion to give you not a history lesson, but to give you a perspective that will illustrate how far we have come but also where we are going. This will hopefully indicate to you what role, however minor, the Department of Public Works has played in attempts to deal with the twin challenges of poverty alleviation and the creation of jobs.

Since have since 1994 constructed over 4000 facilities in seven of the nine provinces and created 163000 job opportunities in the process. These ranged from access roads, taxi ranks, classrooms, community halls and production facilities among others, structures by means of which we aimed at alleviation poverty among our people. Apart from Gauteng and Western Cape all the provinces benefited from the CBPWP, including the Free State, where we are today.

In 2004, government decided that the CBPWP had played its role, but that its impact and reach had to be extended if it was to have greater and long term effect in the fight against poverty and job creation. The expansion process, which

necessitated the inclusion of the environment, social and economic sectors in addition to the infrastructure sector has seen the best practice of the CBPWP being incorporated into the EPWP.

It has been more than a year since President Thabo Mbeki launched the EPWP in Limpopo on May 18 2004. Since then, the EPWP has released the first year's report on its operations, including the challenges such as those of coordination that it faced at the beginning, and the job opportunities created.

Over the past year, we have defined the role of the DPW as that of monitoring the implementation of the EPWP. In this regard we have collected reports from the other sector coordinating departments and produced combined progress reports.

DPW has also been responsible for coordinating the infrastructure sector and supporting the provinces and municipalities with the implementation of the EPWP. The role of DPW has in addition been to generally create an enabling environment for the EPWP. Together with the Business Trust we established the EPWP Support Programme, providing strategic support to the coordinating departments as well as hands on support to a selected provinces and municipalities.

We are pleased that as a result of this intervention and coordination, we have started the Vuk'uphile learnership programme which we take part in together with the Construction SETA. It aims to build capacity among local emerging contractors to participate effectively in the EPWP. To date more than 39 public bodies are participating in this programme.

As a result of this tight co-ordination, monitoring and evaluation, we are now happy that we have created more than 220 000 gross job opportunities. In the first quarter of 2005, we created more than 60 000 jobs. The number of net work opportunities created is estimated by subtracting the number of work opportunities that would have been created if projects had been executed in a machine-intensive manner from the total number of work opportunities reported. This estimate is only done on infrastructure projects. These figures also exclude contributions from the municipalities as no detailed report (i.e. including project-level details) on the municipal projects has been received yet.

Because of these positive spin offs, Cabinet decided last July that the EPWP needed to be up scaled in other words its scale be increased, in order to intensify its positive economic impact.

Last week, Deputy President Phumzile Mlambo Ngcuka announced that an additional R4.5 billion would be allocated to the EPWP for the purposes of scaling it up. Just because of this increase, we will be able to put about 63 000 more people maintaining roads and about 100 000 additional people in jobs averaging six months in roads building. In addition, 1000 more small black contractors will be developed. These jobs are in addition to the 220000 we created in the first year of operation and 60 000 in the first quarter of the first year.

In the economic sector of the programme DPW and DTI are currently working closely with 9 different SETA's to implement learnerships that will support small businesses which supply goods and services to government

The first quarter sector break-down of the number of work opportunities show that most work opportunities were created in the Infrastructure Sector. This is why we have concentrated on this sector for a start, as it carries the greatest potential for growth.

We have however also identified the following areas as being necessary for the successful implementation of this phase of the EPWP. As you are well aware, the EPWP is a transversal programme, involving a number of departments across sector and spheres. If these binding constraints, among others, are dealt with, I believe that we would be well on our way towards achieving the goals we have set ourselves in the EPWP, as a small part of the overall AsgiSa.

These are:

- A high level commitment at various spheres, particularly interdepartmental coordination
- That provinces are to have dedicated capacity and budgets in-order to make meaningful contribution
- Proper systems which will facilitate the flow of information (data collection, processing, reporting)
- Inclusion of Environment and Culture Sector programmes in the Metros and Municipalities.
- The specific challenges for training and skills development are the following:
  - Few accredited service providers in environment and culture sector.
  - Distribution across provinces of such providers.
  - Availability of courses required by the sector.

If we unlocked the above challenges in the EPWP, I am sure we will play an even better role than we have been playing to date. This will lead to a qualitative contribution to AsgiSa whose aims are not different from that of CBPWP and the EPWP.

AsgiSa aims to halve unemployment and poverty by 2014. It builds on micro-economic reforms and agreements reached at Growth and Development Summit and takes advantage of a stable macro-economic environment and an economy that has been growing at 4% plus in the past two years.

It seeks to bridge the gap between the First and Second Economy. This is because we have determined over the past decade that those who live in the Second Economy are not in themselves able to move en masse into the first economy. In other words, there are structural constraints standing in the way of the natural growth of the First Economy. Put another way, we would wait forever if we did not intervene to aid those in the Second Economy economically.

The Deputy President has indicated that the high business confidence offers an opportunity to create a healthy and a growing private sector in the First Economy, which can address the challenges of the Second Economy. Government has said that the public infrastructure and private investment programmes, require skills – including professional skills such as engineers and scientists, managers and financial personnel, project managers; and skilled technical employees such as information technology (IT) specialists and artisans.

AsgiSA says that one of the key measures to address the skills challenge in the educational sphere will be to focus on

quality education, and adult basic education and training among others including artesanal skills. A new institution will be established in March called the Joint Initiative for Priority Skills Acquisition (JIPSA). It will be led by a committee of Ministers, business leaders, trade unionists and education and training providers or experts. These, Ladies and Gentlemen, are some of the issues which make it difficult for optimism to prevail.

In conclusion the next battle in the country will be over how to grow the First Economy at a rapid rate while at the same time increasing the impact in the Second Economy. That will call on a skills development and acquisition drive never seen since the discovery of diamonds and gold called for special mining skills. This is the grease that will oil the engine that is South Africa, and safeguard this democratic order in time to come.

I thank you.