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**DEPARTMENT OF PUBLIC WORKS AND  
INFRASTRUCTURE BUDGET VOTE 2023**

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## **BUDGET VOTE SPEECH BY THE DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (DPWI) HON. BERNICE SWARTS, 23 MAY 2023**

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**Honourable Chair and Members of the Committee**, we are honoured to deliver our maiden Budget Vote Speech of the Department of Public Works and Infrastructure (DPWI).

It has been a steep learning curve to get our teeth into this huge Department and to fully understand its many tasks. But with the dedication of staff members at the coal face and our determination to see the task carried out, we make a solemn pledge that we will not fail the people of South Africa.

My task this afternoon is to apprise this House about the work that has been done in the past financial year with regard to the entities that report to our Department. We will also be taking you through the work that we shall be doing in the new financial year.

**Honourable Members**, the public entities play an important role in concretising our tasks of providing policy leadership to the wider construction and property sectors. These entities act as the implementing agents of our policy directives.

### **Expanded Public Works Programme**

Let me start with a very important entity that is tied to our Department although strictly speaking, it is a government-wide entity that is tasked with providing relief to the citizenry of our country, especially the unemployed of our country.

This is the Expanded Public Works Programme which provides short-term relief through work opportunities in a variety of sectors. These work opportunities are in structured sectors and ensure that participants are skilled in those sectors whilst they get a basic set stipend.

Going forward, we want to see clear exit strategies for all participants.

While others will gain important skills as they earn income, others too must be able to start cooperatives and SMMEs that will be supported through our preferential procurement policies so that these enterprises can graduate to become employers, helping the state to tackle poverty and unemployment.

In the Q4 report we have as at 17<sup>th</sup> May 2023, 990 686 work opportunities against a target of 1 023 569. This translates to 97% achievement against the target for the 2022/23 FY.

With the number of work opportunities reported to date since the start of the EPWP Phase IV, the EPWP is currently on track to achieve its 5 year target of 5 million work opportunities.

Over the past financial year, the EPWP has contributed R12.924 billion in wages to poor households. The positive impact of the EPWP on local communities and the lives of the poor and unemployed remains uncontested.

The EPWP is also involved in a big effort to address the scarce and critical skills required by the economy through training.

Some of these skills that were provided in this past financial year were the National Certificate in Road Works construction in the Eastern Cape, National Certificate in Landscaping in Mpumalanga, Financial Literacy through the Financial Sector Conduct Authority (FSCA). The public bodies that report to the EPWP provided 40 252 training opportunities in the four EPWP sectors.

We are also promoting the development of young people through training and capacitation. In this regard, 8 250 work opportunities were created for youth through the National Youth Service as implemented by public bodies at different spheres of government.

The Vuk'uphile Learnership Programme has provided support to 87 contractors in order to improve their capacity to implement projects through labour-intensive methods.

**Honourable Members**, to further improve the governance of the EPWP, the Department has developed an EPWP Policy which was approved by Cabinet in August 2022 for gazetting and to conduct public consultations.

The Department hosted the countrywide EPWP Policy Consultation Roadshows. At these Roadshows, oral submissions were solicited from various stakeholders on how to craft and refine the EPWP of the future.

Since December 2022, the EPWP Branch has been working diligently to analyse the inputs received and to incorporate these inputs into the EPWP Policy which is expected to be finalised within this financial year.

Whilst the EPWP Phase Four is in its last year of implementation, the Department is currently undertaking a Mid-Term Review for EPWP Phase Four to address to take corrective actions needed for the EPWP to achieve maximum impact.

The EPWP is celebrating its 20 years of existence this year. There will be various activities undertaken to commemorate this milestone like EPWP Roadshows to visit and showcase legacy projects that have endured across various sectors.

We now would like to move on to other entities of the Department.

### **Council for the Built Environment**

**Honourable Members**, the Department of Public Works and Infrastructure oversees the Council for the Built Environment (CBE). This is a statutory body established by the Council for the Built Environment Act (2000) to coordinate the six built environment professions.

We are pleased to report that the CBE continues to lead by example, receiving another clean audit report, with no material financial findings in the previous financial year.

We also applaud that the procurement spend for 2022/23 is 89% to Historically Disadvantaged Individuals and youth.

To support transformation of the built environment, the CBE has developed Transformation Collaborative Committees to guide its contribution to the national imperative to make the industry reflect the national demographics at all levels, including in employment, management, and ownership.

On skills development and capacitation of the state, 37 district municipalities and 3 metro municipalities were engaged on the implementation of the CBE Structured Candidacy Framework. This is in preparation for the implementation of the candidacy programme and placement of candidates in 2023/24 financial year. Approved programmes were established for professionals and candidates appointed by the State for implementation by the National School of Government (NSG).

As part of ensuring good corporate governance, the CBE has partnered with the NSG to train board members of the professional councils on governance and compliance.

Over the medium-term, the council will focus on transforming the Built Environment, creating skilled, fit-for-purpose, Built Environment Professionals, and expediting the empowerment of women, youth and the disabled.

The Council will continue to focus on coordinating and enabling the built environment skills pipeline by implementing the structured candidacy programme in the workplace.

This will be done by establishing a functional Database of Built Environment mentors to mentor candidates employed by the State and support youth absorption into employment beyond internships.

In addition, emerging female entrepreneurs and youth-owned businesses will be prioritised for support. The exposure to work opportunities for unemployed youth will also be another focus of the Council.

As the Minister has said, the CBE is expected to develop a position paper by end of July 2023 on the possibility of DPWI establishing a Skills Academy or College to address the skills needs of the department and the sector as a whole.

### **Construction Industry Development Board (CIDB)**

**Madam Speaker**, the B.U.I.L.D Programme by the Construction Industry Development Board (CIDB) has been effective from April 2021. It is the first mass scale developmental initiative for the South African construction industry. The programme supports skills development, the professionalisation of the industry, and enterprise development.

Commitment and compliance of infrastructure clients will enable the realisation of the targets for the B.U.I.L.D Programme, which will be incrementally built up over a five-year period. As the Minister announced recently, this will provide for R8 billion worth of contracts to be directed to developing enterprises together with developmental support.

No less than 1 000 contractors will receive development support per year. On public sector contracts, R450 million will be spent on workplace training per year whilst 10 000 learning opportunities will be provided per year to FET learners and artisans.

In addition, 1500 learning opportunities will be provided to candidates per year. This is an important contribution by the Department responding to the call in the State of the Nation Address by His Excellency President Cyril Ramaphosa for our nation to put 30 000 students in artisan training this year.

### **Agrément South Africa (ASA)**

**Honourable Members**, the entity Agrément South Africa (ASA) deals with alternative construction methods, ensuring that new and innovative construction materials are safe, durable, and meet the required standards.

During the 2022-2023 financial year, ASA spent R11 million on level 1 B-BBEE SMMEs. In response to the Economic Recovery and Reconstruction Plan (ERRP), ASA plans to spend 30% of its total procurement spend on SMMEs falling under the designated groups. As of 31 March 2023, ASA had spent R6,4 million (41%) on designated groups.

ASA conducted four workshops in 3 provinces to educate SMMEs on ASA certification processes, procurement opportunities in the Department, and how they can get their innovative products certified.

In support of the DPWI Green Building Policy, the organisation spent nearly R4-million (i.e. R3 824 658) in launching and developing specifications for the eco-labelling (ecoASA) scheme.

Overall, ASA has approved 11 ecoASA specifications that will enable it to issue ecoASA labels on all various categories in order to promote sustainable development.

### **The Independent Development Trust (IDT)**

**Honourable Members**, our public entity, the Independent Development Trust (IDT), plays an important role delivering infrastructure programmes and projects, especially in rural communities. It also supports localization, cooperatives, SMMEs, and local employment.

We are pleased to report that the IDT is once again showing a great deal of potential after its near collapse two years ago.

A total of 45 projects were completed during the period under review. The breakdown in performance shows that 18 of the 45 were new infrastructure facilities that were completed against the annual target of 21. This equates to an 86% performance level.

Twenty-seven (27) of the 45 facilities were either upgraded, renovated, or rehabilitated against a target of twenty-five (25) non-green field social infrastructure facilities completed. This equates to a 108% performance level.

Shortcomings in performance was caused by the late transfer of funds by client departments and the devastating floods experienced in large parts of KwaZulu-Natal.

The IDT also did well on the Contractor Development Programme (CDP).

Ninety six (96) new contractors out of a target of 60 were placed on the panel of contractors for the Contractor Development Programme (CDP).

Of these, 46% (44) are women contractors (out of a target of 40 women contractors) and 39% (37) are youth (out of an annual target of 30 youth contractors).

In the year ahead, the IDT will do more to ensure that persons living with disabilities also participate and benefit from our economic empowerment programmes.

On the BBBEE Expenditure, a total of R905-million of infrastructure programme expenditure was on BBBEE-compliant entities representing 45% of the total programme spend against a target of 75%.

The EPWP: Non State Sector programme contributed R 770 million to the BBBEE spend which increases the total percentage of weighted BBBEE expenditure (based on total programme spend) to 69%.

The Expanded Public Works Programme exceeded its target, creating a total of 109,871 work opportunities through the EPWP NSS Programme against an annual target of 64 000 work opportunities.

By the end of the fourth quarter, 3 031 work opportunities were created through the IDT programmes against a target of 5 100, which equates to a 59% achievement.

The total programme expenditure achieved by the end of the fourth quarter of the 2022/23 financial year is R 3, 509 billion, below the targeted R5, 27 billion.

It is clear that we must put systems and mechanisms in place to eliminate the challenge of late transfer of funds.

We need to plan better even for natural disasters to minimise service delivery challenges that result from cash flow challenges faced by contractors.

IGR and consequence management should be strengthened to avert this in future.

### **The Prestige Accommodation Portfolio**

The Department is a custodian of the prestige residential accommodation as well as the provision of movable assets like furniture and movable structures for state events.

We carry the mandate to ensure that all clients occupying these residences are housed safely and their needs addressed. Moving forward, we want to embark on a continuous programme of ensuring that client satisfaction is improved and that communication with clients is improved.

We are paying attention to the concerns of society and we are determined to end any confusion about the type and level of accommodation that the Department provides.

There are about 666 units (including flats) which are currently managed through norms and standards applicable to all MPs with regards to furniture etc. We are determined to improve facilities management in all the three parliamentary villages by strictly enforcing these norms and standards to improve maintenance and cleanliness. We want to see a rapid response on queries with all clients occupying the prestige portfolio.

The Artisan and Skills programme of the Department will play a crucial role in building internal technical capacity and facilities management expertise, including expertise on health and safety compliance.

### **Rejuvenating Maintenance and Operations of the State Immovable Assets**

The Department has embarked on a mission of “**brilliant basics**” to improve the operation and maintenance of facilities. Currently, the FM Programme executes the maintenance mandate by employing a 3-prong approach to Facilities Management. These are Total Facilities Management (TMF); Term Contracts; and In-sourced Services.

The department is responsible for the maintenance and operations of approximately 80 000 facilities, therefore prioritization is required to get the department back on effective maintenance.

The work has commenced with the lifts, where some of the department's over 1000 units have dedicated long-term contracts that cover both preventative and corrective maintenance.

### **Critical Components Programme Starting With Lifts**

Approximately forty percent (40%) of the elevator equipment in the fleet nationally have reached the end of their useful life and the rate of failure can no longer be justified financially and otherwise as they constantly malfunction, despite regular maintenance and repair activities.

Some of the units in the fleet have been rendered out of commission or condemned to permanent closure due to their irreparable state owing to the unavailability of the critical components to effect required repairs because of the obsolescence of the fleet.

The life expectancy of lift installations if maintained regularly and effectively throughout may be estimated to be between twenty (20) and twenty-five (25) years. The Department has embarked on a programme to renew the current fleet of lifts whose age are in excess of 20 years.

The goal of the renewal program is to optimise the cost of service delivery in line with the objectives of the Government Immovable Asset Management Act 19 of 2007 (GIAMA), provide safe, cost-effective reliable and sustainable vertical transportation assets to the 364 buildings with lift equipment nationally under the custody of the Department.

And more importantly, the renewal programme will contribute in the maintenance of a compliant lift asset register, with lifts, passenger conveyors and escalators that adhere to the latest Occupational Health and Safety standards and Lifts Regulations.

### **Strengthening Intergovernmental Relations (IGR)**

**Honourable Speaker**, the Department is playing its role to end silo mentality in the state by strengthening intergovernmental relations and improving collaboration within the IGR Framework Act.

We will continue to promote effective management of internal and sector governance structures as part of implementation of the concurrent mandate.

DPWI supports government's District Development Model (DDM) delivery approach. In this regard, DPWI has established the DDM-Social Facilitation work stream for public works across the three spheres of government.

During this financial year, we seek to improve on reporting on infrastructure delivery in the respective districts as well as piloting key projects in each province for social facilitation.

The Department will continue to play a supporting role to other DDM and IGR initiatives such as the Presidential Priority Pilot Project in 4 districts of KwaZulu-Natal and Eastern Cape in the Eastern Seaboard Development Project.

Through the IGR unit, the Department will provide dedicated support to the Inter-Ministerial Task Teams to address service delivery challenges and infrastructure projects that affect the institution of Traditional Leadership.

### **Fight Against GBV**

**Honourable Speaker**, despite the many achievements of the democratic state, there is no doubt that the soul of our nation is in deep pain.

This pain is best exemplified by the unending cries of the women and children of this country who face violence at the hands of men, many of whom are trusted family members and partners.

As the Department of Public Works, we are determined to build an infrastructure that will increase the sense of safety for women, girls, and children.

We want to deliver the construction of police stations and courts on time so that women do not feel that justice is forever delayed for them, compounding their fears and even worsening secondary victimization.

Today we all know that gender inequality fuels patriarchy, sexism, gender stereotypes, and even the spread of sexually transmitted diseases.

It is for this reason that through our policies, we want to actively empower women and make our contribution in expanding the frontiers of freedom for women as a gender.

That is the society that Ruth First, Lilian Ngoyi, Rahima Moosa, Frances Baard, and Joe Slovo sacrificed for.

We will be monitoring closely that the Department is known for being a champion of gender mainstreaming and that women and people living with disabilities are not left behind in our empowerment opportunities.

We are supporting HR to meet Employment Equity (EE) targets.

At present, the DPWI has 41.35% (74) woman representation on SMS. Although the target set by the Department is 40% which has been achieved, the 50% and beyond demonstrate the commitment of the department towards this cause. The shortfall of 8.65% will be addressed.

During the 2022/23 financial year 69 bursaries were awarded to new students enrolled for built environment qualifications at various universities valued at R11 millions, 40 went to females and 29 to males.

For the 2022/23, we have successfully installed billboards creating awareness on Gender-Based Violence at the following hotspots Police Stations in the Free State: Bloemspruit, Thabong, Zamdela, and Phuthaditjhaba. Western Cape police stations include Mannenburg, Caledon, Bredasdorp, Beaufort West, Laingsburg and Paarl.

Using our procurement budget, as at the end of March 2023, we have awarded 131 quotations to women with a transactions value of R28,7 million.

84 quotations were awarded to the Youth females to the tune of R7, 96 million and lastly, 5 quotations were awarded to Females with Disabilities to the value of R138 362.02.



The Department will continue to work with the Department of Social Development to donate buildings that can be utilized as shelters and centres of empowerment for victims of GBV.

We call upon the people of South Africa to join the Department and play their part in restoring our values of ubuntu, end patriarchy, and defeat sexism to create a South Africa that does not leave women behind.

South Africa Works Because of Public Works!

I thank you!