

THE DEPUTY MINISTER OF PUBLIC WORKS, Mr. NTOPILE KGANYAGO, MP,  
SUPPORTS THE BUDGET VOTE SPEECH OF THE DEPARTMENT IN THE  
NATIONAL COUNCIL OF PROVINCES

DATE: 31 MAY 2007

VENUE: NATIONAL COUNCIL OF PROVINCES, PARLIAMENT, CAPE  
TOWN, WESTERN CAPE

- Honourable Chairperson
- Honourable Members
- Provincial MEC's for Public Works

Public Works plays a critical role in service delivery by providing the state with infrastructure necessary for social development and economic growth. The Department has continuously worked hard to improve its operations and efficiency ensuring that their capital works and maintenance budgets are properly invested in the areas where they will help increase output, improve service delivery, reduce public infrastructure backlogs while promoting economic growth particularly among the sections of our population still trapped in the second economy.

In recognition, the Department has, for two successive years, been accorded unqualified audit reports. Strengthened by this experience, the Department welcomes the 2007 vote allocation of three billion, six hundred and ninety three million, and one hundred and twenty thousand rand (R3 693 120 000).

Looking back, the Department is heartened by the growing strength of cooperative governance and intergovernmental cooperation including the efforts of its Public Entities in upholding its delivery record – from the procurement and provision of pristine structures on behalf of our client departments in their quest

to improve their service delivery; to the creation of community assets for social development and poverty alleviation under our national public works programmes.

Consequently the budget includes allocations to the entities reporting to Public Works in recognition of their role to support the thrust of public works activity both nationally and at provincial level. Through the Intergovernmental Forum of Public Works Ministers, we have also intensified cooperation to further support the role of provincial Public Works Departments in aligning their budgets behind the collective focus to achieve maximum impact.

As one of its core functions, the National Department regulates and facilitates a development agenda for the construction and property sectors, establishing national norms and standards that enable a common development focus across the spheres of government. This intensified intergovernmental cooperation is necessary to stimulate shared growth, skills development and sustainable job creation.

After decades of declining infrastructure investment caused by the failing apartheid economy, the construction industry is entering into a period of unprecedented growth. Under the impact of increasing public infrastructure investment, the industry is leading our accelerated and shared growth initiative with growth rates above 10% per annum, creating about 800 000 jobs and is set to create several hundred thousand more jobs by 2014.

The industry emerges off a low capacity and skills base and is challenged to double its delivery output by 2014. Public Works therefore has a critical role to play in overcoming a range of capacity constraints including those facing all spheres of government in the planning, procuring and maintenance of infrastructure. And significantly, we are beginning to make headways. Notably, provincial public infrastructure spend improved last year by 29% under the

impact of multi-faceted interventions and partnerships promoted by the Department.

These interventions include the partnership between National and Provincial Public Works, National Treasury, the Construction Industry Development Board (CIDB) and the Development Bank of Southern Africa in support of Government's Infrastructure Delivery Improvement Programme (IDIP). A direct outcome of the Growth and Development Summit, IDIP has built the coordination and capacity of Provincial Departments of Education and Public Works to ensure that South Africa's children are no longer schooling under trees. Encouraged by this experience and responding to the President's call, this year we have taken the next challenge to eradicate mud schools and other inadequate structures.

IDIP has further helped to refine the public sector procurement capacity as indicated by procurement improvements where in some instances the time to award contracts by all organs of state has been reduced from as much as 6 months, to 60 days and less – meaning that we are effectively beginning to unlock public sector infrastructure delivery.

The success of IDIP as a best practice has given us encouragement to approach even the work on our most prestigious clients including our executive and the legislature, with confidence and professionalism. We have prepared Master Plans for the refurbishment of both the Union Buildings and the Brynterion Estate. Besides their day to day importance in government and governance, the two properties are part of our heritage, and like many state's immoveable assets, they have been affected by the erratic maintenance patterns in the past. These Master Plans seek to implement the recommendations contained in the status quo report which among others put emphasis on the security upgrades, water reticulation and upgrades of all electrical requirements in these precincts.

In Cape Town, several ministerial residences and Parliamentary villages were upgraded in the last year and many more will be identified for renovations in line with the National Infrastructure Maintenance Strategy approved by Cabinet last year, which encourages increased investment into the maintenance of our infrastructure to augment their appreciative value, enhance their looks while preserving their heritage status. To meet the accommodation needs of the expanded Cabinet, we have begun to procure additional ministerial dwellings and this project is proceeding.

In anticipation of the country hosting a successful Soccer World Cup Tournament in 2010, the Department is undertaking major construction refurbishment projects at some key border posts on behalf of the Border Control Operational Coordinating Committee (BCOCC). Overall 43 of the 55 land border posts were placed under the programme for repairs and maintenance to ensure that occupational, health and safety requirements are met meanwhile enabling the user departments to deliver better services. Some of the major construction upgradings include the work to create a one stop port of entry at Lebombo towards Mozambique as well as the relocation of the Sani Pass Border Post, to take it out of the World Heritage site as part of conservation. The work to upgrade the Golela Border Post will be awarded later this year and the Department has already earmarked the project to promote the ethos of National Youth Service.

We believe therefore that this budget is a catalyst in fulfillment of our millennium obligations to 2014 and the advancement of our socio-economic objectives, including accelerated infrastructure delivery for better communities, for shared economic growth, job creation, skills, empowerment and poverty reduction.

I THANK YOU.