



**BUDGET VOTE 13  
NCOP DEBATE**

**DEPARTMENT OF PUBLIC WORKS  
AND INFRASTRUCTURE**

**MINISTER PATRICIA DE LILLE, MP  
26 MAY 2021**

Honourable Ministers and Deputy Ministers

Deputy Minister of Public Works and Infrastructure, Noxolo Kiviet

Chairperson of the Select Committee, honourable, Kenneth Mmoiemang

Honourable MECs

Honourable members

Members of the media

Fellow South Africans

Good Morning, Goeie More, Sanibonani, Dumelang

1. In delivering the Department of Public Works and Infrastructure's budget to the National Assembly yesterday, I stated that I believe that investing in South Africa's infrastructure will bring us closer to our continent as we link to our neighbours with new ports of entry, bridges and roads - increasing trade and deepening our links.
2. As President Cyril Ramaphosa said we are not only going to talk about our plans but emphasise what we have already done.
3. Let me report on how the excavators are breaking ground as we implement the Infrastructure Investment Plan approved by Cabinet in May 2020.

INFRASTRUCTURE:

4. South Africa's Infrastructure Investment Plan forms a fundamental part of South Africa's Economic Reconstruction and Recovery Plan.
5. In the development of the Infrastructure Investment Plan, DPWI worked with the Presidency's Infrastructure and Investment Office to set South Africa on a new path to plan, secure, invest and implement bankable infrastructure projects.
6. We are using the Sustainable Infrastructure Development System (SIDS) methodology to assess all infrastructure projects to ensure that they are bankable.

7. As a result, Infrastructure South Africa (ISA) was created as the single entry point for all infrastructure.
8. A total of 62 projects were gazetted as Strategic Integrated Projects (SIPs) in July 2020 and is made up of projects from all three spheres of government, state-owned enterprises and the private sector.
9. An infrastructure investment project pipeline with projects in the energy, water, transport, human settlements and telecommunications sectors were identified and some of these projects have already started.
10. ISA visited the three spheres of government as well as State-owned enterprises, visiting every province unblocking catalytic infrastructure projects, including private sector-led projects.
11. Honourable chairperson and Members,
12. DPWI is also developing the National Infrastructure Plan 2045 (NIP 2045).
13. This plan will spell out the government's intentions to build, manage and maintain infrastructure within a unified vision that enables South Africa to grow, address inequality and capture our strengths as a nation, within the region and internationally, for the next 24 years.
14. The NIP2045 will provide investors with a clear picture of our future infrastructure plans.
15. Sector experts, from business, organised labour, think tanks and State-Owned Entities are all part of drafting the NIP 2045. The draft plan will be presented to Cabinet in June 2021 and soon after gazetted for broader public comment.

## INFRASTRUCTURE FUND

16. Government established the Infrastructure Fund and committed R100billion over a 10 year period.

17. To encourage private sector investment in infrastructure, we have established the Infrastructure Investment Committee (IIC) chaired by myself and consisting of members from the public and private sector.
18. The aim is for the Committee to encourage crowd-in funding from sources alternative to the fiscus.
19. Some of the projects approved by the committee to date include:
  - A) For the Student Housing Infrastructure Programme, we have allocated around R3.4billion from the Infrastructure Fund
  - B) For the SA Connect Phase 2, we have allocated R20billion
  - C) Phase 2A of the Mokolo Crocodile River (West) Augmentation Project in Limpopo, we have approved a R3billion contribution as start-up funding from the Infrastructure Fund
  - D) For the One Stop Border Posts with Zimbabwe, Mozambique, Lesotho, eSwatini and Botswana, we have allocated around R1.5 billion from the Infrastructure fund. This will be a public, private partnership.
20. It is important to note that these funds from the Infrastructure Fund will be allocated over the next few financial years.

## BUDGET

21. The Department's budget allocation for this financial year is R8.3 billion and funding will be spent to meet the 7 Priorities of government, specific to:
  - Accelerated infrastructure investment for economic growth
  - Transform our economy the built environment and enable job creation
  - Proactively ensure spatial transformation and redress through leveraging the state's assets
  - And provide a dignified experience for our client departments, the civil servants working in a government building, be it a police officer or nurse and ultimately to every South African that visits a government building.

22. The departmental budget for transfers and subsidies with the inclusion of transfer payments to the Property Management Trading Entity (PMTE) and EPWP is equivalent to R7.3 billion of the total allocation for 2021/22.
23. For the 2021/22 financial year, the Department will be disbursing allocations to eligible public bodies in the EPWP for the following sectors:
- R1.18 billion in the 2021/22 financial year in the Infrastructure, Environment & Culture and the Social sectors through the integrated grant incentives for Provinces and Municipalities, with an estimated total number of 81 850 work opportunities
  - R1 billion in this financial year for the Non-state Sector Programme, with an estimated total of 52 189 work opportunities
  - R414 million in the Social Sector in this financial year for Provinces, with an estimated total of 16 243 work opportunities.
24. For the financial year which ended on 31 March 2021, the following demographic targets were achieved in EPWP opportunities:
- A total of 69% of EPWP opportunities went to women
  - 42% of opportunities went to youth
  - And 1% for Persons with Disabilities.
25. In EPWP, of the total of 13 497 projects undertaken in 2020/21, 5 676 were provincial projects.

## PRESTIGE

26. Honourable chairperson, in order to ensure that parliamentary villages are compliant, R20million is projected spend for this financial year for refurbishment to parliamentary villages.
27. R35million projected spend has been allocated in this financial year for refurbishment of the Parliamentary precinct in buildings such as the NCOP, the Marks Buildings, 100 Plein Street and security infrastructure.

## PROPERTY MANAGEMENT TRADING ENTITY (PMTE)

28. The budget allocation for PMTE is R4.2 billion for the 2021/22 financial year.
29. The PMTE will also focus on refurbishing and maintaining government buildings in its portfolio and developing 12 small fishing harbours.
30. Under the PMTE allocation, an amount of R 945.7 million is allocated to DPWI specifically infrastructure projects and is used for:
  1. R256 million for Land Ports of Entry,
  2. R116 million for Dolomite Risk Management where Government buildings that are at risk to collapse because of a dolomite sinkhole and doline problem especially in Gauteng, Mpumalanga, Limpopo, North West, Northern Cape and the northern part of the Free State provinces.
  3. R23 million is set aside for the retrofitting of facilities that have not catered for people with disabilities,
  4. R199 million is for precinct development in cities to support efficient and integrated government planning by grouping Departments that provide similar services.
31. But let me now turn to the specific budget allocations for DPWI regional offices who implement projects in each province.
32. Of the R5.8 billion allocated to projects (our own and Client funding), R 1.7 billion (29%) will be managed from Head Office and R 4.1 billion (71%) will be managed from our Regional offices in the Provinces.
33. However, even if a project is managed from Head Office, the benefit of the project will still be in a specific province.

34. Therefore the total distribution per Province is as follows:

PROVINCE	ALLOCATION	%
EASTERN CAPE	R1,2billion	21%
FREE STATE	R254million	4%
GAUTENG	R2,2billion	39%
KWAZULU-NATAL	R393million	7%
LIMPOPO	R412million	7%
MPUMALANGA	R209million	4%
NORTH WEST	R314million	5%
NORTHERN CAPE	R268million	5%
WESTERN CAPE	R527million	9%
Grand Total	R5,840,932,597billion	100%

#### CONSTRUCTION PROJECT MANAGEMENT

35. There are a number of projects by our Construction Management Branch under way in various provinces and all the project information relevant to the various province can be obtained from the Department.

36. But briefly, to summarise some of the capital projects to be completed in this financial year include:

- 1) In the Northern Cape, the Kudumane Magistrate's Court offices are being upgraded with repairs and renovations.
- 2) In the North West, the construction of accommodation for the Taung Home Affairs
- 3) In the Eastern Cape, in Port Elizabeth, repairs and renovations are underway at the Department of Labour's employment factory
- 4) In the Western Cape, at the Saldanha Bay Military Base, the construction of a sick bay facility and other works

- 5) In Gauteng, in Baviaanspoort, the Emthonjeni Youth Centre is being upgraded and repaired with security and electrical installations and other works

37. Various repairs and maintenance projects are also underway and to summarise:

- 1) In Mpumalanga: repairs and maintenance to the Standerton Police Station
- 2) In Northern Cape, at the Calvinia Correctional Centre various maintenance and upgrading work
- 3) In the North West, repairs and renovations at the Brits SAPS police station
- 4) In the Eastern Cape, repairs and maintenance to the SAPS complex in Gelvandale in Port Elizabeth
- 5) Western Cape, modernisation work, repairs and maintenance to lifts in various buildings
- 6) Gauteng, in Pretoria upgrading and refurbishment of the Justice College
- 7) In Limpopo, repairs and renovations to the Thohoyandou Magistrate's office
- 8) In the Free State, repairs and maintenance at Caledonspoort and Ficksburg Land Ports of entry as well as the Peka bridge and Monantsa Pass Land Ports of entry

38. In terms of new capital projects to start this year, in summary:

- 1) In the North West, total repairs and renovations including the upgrading of the roof structure and draining system at the Ga Rankuwa Magistrate's office.



- 2) In the North West, conversion of the Rustenburg Magistrate's office and upgrading of the old SARS building as well a total upgrade of the existing court facility to include an upgrade of emergency generators, air conditioning systems and plumbing
- 3) In Mpumalanga, construction of the Standerton Labour Centre
- 4) In the Eastern Cape, upgrading and extension of the newly acquired building for the SA Library for the blind
- 5) In the Eastern Cape in East London, phase 1 of the total refurbishment of the East London Magistrate's office
- 6) In the Western Cape, construction of a labour centre in Swellendam
- 7) In KwaZulu Natal, upgrades and renovation at the Durban High Court.

#### PV and WATER SAVINGS ON GOVERNMENT BUILDINGS

39. Chairperson, DPWI as the landlord for all government buildings consumes a significant amount of electricity and water. An estimated 4021 Gigawatt hours and 39 million kilolitres of water each year.
40. This equates to on average R2.4 billion expenditure each year on electricity and on average R1.8 billion expenditure each year on water.
41. The Department's PV and Water Savings on the Government Buildings Programme aims to reduce energy consumption by between 22 to 45% over the life of the Programme and reduce water consumption by between 30 to 55%, which will equate to an estimated saving of up to R500 billion over 30 years for government.
42. Further this Programme will reduce carbon emissions by 54.5 mega tonnes.
43. The Programme was gazetted as a SIP on 24 July 2020, which has enabled it to follow an expedited path.
44. This SIP will be able to go to market in the next few months.

## LAND REFORM

45. Chairperson, the DPWI plays an active role in the Inter-Ministerial Committee (IMC) on Land Reform to fast track land reform.
46. Just this weekend, I joined the President and Ministers from the Land Reform IMC as we handed over 31 title deeds to black farmers outside Groblersdal in Limpopo.
47. The Department's Real Estate Investment Services that champions the work of land reform has been allocated R220 million for this financial year. This branch spent 98% of their budget in the previous financial year.
48. In the past year:
  - 2 574 hectares were released for Restitution Programme to the Department of Agriculture, Land Reform and Rural Development (DALRRD) to finalise land transfers to claimants.
  - 52 parcels of land totalling more than 3 000 hectares were released for human settlements.
  - 125 Parcels agricultural land for land redistribution measuring 25 500 hectares and covering all nine provinces.
  - Further, in support of infrastructure development, 15 hectares or 11 land parcels were approved for registration of roads, water, electricity and gas pipeline servitudes.
49. In the 2021/22 financial year, the Department plans to release;
  - 21 132 hectares for land restitution,
  - 10 951 hectares for Human Settlements
  - and 180 hectares for other socio-economic purposes

## GBVF

50. Chairperson, through its Real Estate Management, the department has identified 83 properties in the past year to be allocated for use as shelters for victims of gender-based violence.
51. Together with the Department of Social Development, we inspected 83 properties, and 30 properties were selected to be used by the Department of Social Development as shelters or support centres for people affected by GBVF.
52. During the previous financial year, 12 properties were allocated to Social Development; six were in the Western Cape and six in the Gauteng Province.
53. In this financial year, the Department will prepare and release more properties across the country for Social Development to utilise in the fight against GBVF.
54. As DPWI, we have requested provinces and municipalities who also own buildings to also release some of their own buildings for GBV purposes and not only wait for DPWI to do so.

## SUPPLY CHAIN MANAGEMENT

55. Chairperson, as DPWI improves its Supply Chain Management, it is critical to pay our service providers within 30 days as the law requires.
56. Delayed payment can often lead to bankruptcy of entrepreneurs, especially SMMEs trying to break their way into the built environment or construction industry.
57. As of end-March 2021, 92% of invoices received by PMTE were processed within 30 days of receipt, while 96% of invoices in the Department's Main Account were processed within 30 days.
58. This demonstrates the commendable work that the Department is doing.

59. In instances where officials have been found to have transgressed the requirements to pay service providers and suppliers on time, disciplinary actions are recommended against such officials.
60. In the financial year ended 31 March 2021, the Department's Main Account made 281 referrals to Labour Relations for consequence management against officials.
61. In PMTE, consequence management was recommended against 143 officials.

## CORRUPTION

62. As the honourable President Ramaphosa said in his 2021 SONA: "Corruption is one of the greatest impediments to the country's growth and development."
63. On Monday, 24 May 2021, together with the Head of the Special Investigating Unit, Advocate Andy Mothibi and civil society members we launched the newly established Infrastructure Built Anti-Corruption Forum.
64. This forum made up of representatives from the public sector, government entities, civil society and law enforcement agencies such as the Hawks and the National Prosecuting Authority and aims to collaborate on and coordinate anti-corruption initiatives in the infrastructure built environment.
65. The aim is to address vulnerabilities through forensic investigation, criminal prosecution, recovering losses, proactively preventing future losses in the sector.

## POLICY

66. Chairperson, the Expropriation Bill was introduced in Parliament in October 2020, and the Parliamentary processes are currently underway, including public hearings and oral presentations in all provinces.
67. Public hearings on the Expropriation Bill have been conducted in five provinces so far with the remaining provinces; the Western Cape, Eastern Cape, Northern Cape and Free State hearings to take place in the next few weeks.

## RURAL BRIDGES

68. Chairperson, one of the key projects making a lifesaving and significant impact for our most vulnerable communities in rural communities, especially in the Eastern Cape, KwaZulu Natal is the Welisizwe Bridges Project.
69. Three other provinces: Limpopo, Free State and North West, have expressed a keen interest in the implementation of the Programme.
70. Working together with the Eastern Cape Department of Transport and Department of Defence, 10 Bridges were completed in the Eastern Cape and a further 20 bridges are scheduled for installation in this financial year.
71. In KwaZulu-Natal, working together with the KZN Department of Transport and Department of Defence, 8 Bridges were installed during this past financial year, with a further 6 to be completed by the end of this month. In addition 20 further bridges are scheduled for installation in this financial year.

## SMALL HARBOURS

72. Another key job creation project for DPWI is the Small Harbours repairs and maintenance programme. The Department contributes to Operation Phakisa: Oceans Economy through the Small Harbours and State Coastal Property Development programme.

73. The Department has spent R500 Million to repair and maintain the Proclaimed Fishing Harbours in the Western Cape.
74. Thus far, the entire Programme has created 672 jobs and empowered local SMME companies to a value of over R61 million.
75. The Programme is expected to reach culmination by March 2022, bringing the existing harbours to an 80% operational efficiency.
76. In the quest for the development of new harbours, the Department is finalising the in-kind grant from the Chinese government to conduct feasibility studies along the coastlines of the Northern Cape, Eastern Cape and KwaZulu Natal.
77. House chairperson, members from the above it is clear that there is a lot of work for DPWI to do especially in the delivery of infrastructure that will improve the lives of all South Africans especially the most vulnerable.
78. The Deputy Minister and I are determined to lead and drive a greater level of urgency in DPWI to ensure that we deliver to the people of our country and expedite the implementation of the Infrastructure Investment Plan so as to create the conditions conducive for investment by the private sector which can in turn create more jobs for our people.
79. Thank You.

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