

THE MINISTER OF PUBLIC WORKS, Ms THOKO DIDIZA, DELIVERS HER BUDGET VOTE SPEECH TO THE NATIONAL ASSEMBLY

THEME: CELEBRATING (EPWP) EXCELLENCE

- ❖ **Madame Speaker**
- ❖ **Honourable Members**
- ❖ **Members of the Provincial Executive Councils responsible for Public Works**
- ❖ **Chairpersons and Senior management of our Public Entities**
- ❖ **Director General and your Senior Managers Present**
- ❖ **Representative of our Industry**
- ❖ **Ladies and Gentlemen:**

INTRODUCTION

The year under review has seen an increase in the manner in which we have driven our labour intensive methods in contributing towards job creation in our country. As a developmental state we remain conscious that our role in intervening positively in areas of socio-economic development is necessary and cannot be under estimated.

We have improved our delivery capacity to ensure that we accelerate the Expanded Public Works Programme.

The resources that were allocated to us in the previous budget have made it possible that we increase our staff compliment within the EPWP directorate from 34 to 100. Some of these members of staff have been deployed at provincial level in order to provide leadership and support to the relevant stakeholders.

Today we pride ourselves on the achievements we have made since 2004.

950 000 JOB OPPORTUNITIES HAVE BEEN CREATED. It is important to acknowledge that these achievements that we celebrate today are not only as a result of what we have done on our own as government, but rather they are a reflection of the contract we made with our people in 2004 to fight poverty and underdevelopment.

A majority of participants in the Expanded Public Works Programme have earned income during their involvement in the programme which made it possible that for them to support their families and invest in entrepreneurial activities that have become sustainable after they exited the programme. This has been possible because of the limited training they received while working in the various projects.

Since 2006, as leadership, we have spent every available opportunity to physically visit most Public Works construction sites, not only to validate the quality of work being done there, but importantly to interact with participants and beneficiaries and source their impressions on the impact of our capital works as well as added benefits through the Expanded Public Works Projects. This hands-on approach assisted me and my provincial counter-parts to attest to the importance of our interventions in poverty alleviation, job-creation, skills generations, economic empowerment and entrepreneurial development.

EPWP: MILESTONES

1. Business Trust

The EPWP has continued to benefit from the resources and expertise provided by the Business Trust. This partnership has evolved to the point where activities of the programme and the Expanded Public Works Support Programme are difficult to tell apart, giving real meaning to the partnership that was expressed at the Growth and Development Summit in 2004. The current phase of this support

is scheduled to last until 2009. I will however explore ways in which the private sector can continue to engage in the next phase of the EPWP from 2010 to 2014.

2. Kamoso Awards

The EPWP launched the Kamoso Awards programme in 2007 to reward municipalities, provinces, departments and public bodies that excelled in implementing the EPWP in the infrastructure sector. This year in July I intend recognising achievements under the EPWP in all its four sectors

3. EPWP phase 2

My department is currently engaged in consultations and development of further details for the EPWP phase 2. This will commence in March 2009 and will set targets for the EPWP up until 2014. It has been acknowledged that the EPWP has been very effective in reaching the target of 1 million work opportunities a year ahead of schedule. However, we recognise that given the state of unemployment in the country, the EPWP needs to be significantly bigger.

The proposals that have been developed are looking at how the EPWP can significantly contribute to halving unemployment by 2014 as per the Millennium Development Goals. We are also investigating, amongst other issues, of how we could introduce a wage incentive to encourage public bodies to participate and ensure that larger numbers of unemployed benefit. We are also looking at how we could introduce more regular predictable work for the unemployed. We will be focusing on the expansion of programmes like Zibambeleni in KZN. We have studied systems in Argentina and India and hope to introduce some of that for phase 2. Also, we are exploring the role of non state institutions like the NGOs and the private sector in contributing to the EPWP.

However, the greatest revelations on the impact of the EPWP on ordinary people have been stories and other experiences one encountered on the ground during our visits to sites. In the Limpopo town of Phalaborwa, Mr Samuel Mangena, a

former farm- worker and now a businessman par excellence has managed, with the help of the economic sector of EPWP, to bring 2 hectares of arid land under cultivation, planting tomatoes and other crops while permanently employing 6 women and 10 others for seasonal work. So successful is Mangena's enterprise that today he counts among his clients, famous, well-known retailing shops around Phalaborwa. Such a daring spirit of entrepreneurial adventure should be an inspiration to the country.

WASTE MANAGEMENT

As part of ongoing monitoring and evaluation, the EPWP is continuously reinventing itself to stay relevant and broaden its impact. The Siyazenzela waste management version of the programme was piloted by the Kwazulu-Natal Department of Transport and employs the technique copied from Curitiba in Brazil where poor households collect garbage which is then exchanged for food vouchers and groceries. The result is that poverty is alleviated and communities live in clean and green localities. Like most things excellent, the initiative is being rolled-out to other provinces, where municipalities are encouraged to adopt it as a way to improve their domestic waste management service.

NATIONAL YOUTH INITIATIVES IN BUILDING AND MAINTENANCE

In 2007/08, the 10 Departments of Public Works in the country recruited and trained in excess of 9 200 learners under the National Youth Service which was launched in April 2007 to train youth in built environment professions including bricklaying, building, paving, plumbing, carpentry, electrical work and others. The first batch of 298 graduates was honoured at their graduation ceremony in the Free State town of Edenburg in April and some are with us today.

STATUS OF SKILLS IN THE BUILT ENVIRONMENT SECTOR

While ASGISA identifies shortages of suitably skilled labour as one of its six key constraints, JIPSA elevates the built environment professions as among the critical. Following a skills audit in 2006, the forum of Public Works Minister endorsed the recruitment of 267 built environment professionals from Cuba, to be deployed nationwide. The first group of 57 arrived in January and was immediately assigned to different provinces on a three year contract.

As a department we are reviewing the legislation that governs the individual professional councils and the Council for Built Environment.

Internally, my department is forging ahead with efforts to contribute to skills replenishment. About 250 bursaries pertinent to the core business of the Department were awarded to people outside the department while 691 interns, learners, young professionals and trainee artisans were recruited.

INDUSTRY DEVELOPMENT

The Register of Contractors, which is our barometer of contracting capacity, currently sits at more than 65 000 total registrations with Grade 1 at about 80% of this number. More than 3 000 contractors have upgraded, of which about 87% are black. All these contractors and other stakeholders need good quality service. The Construction Industry Development Board has had to grow to respond to these challenges.

The CIDB has partnered with the National and provincial Departments of Public Works to establish the Construction Contact Centres (CCCs) in Gauteng (PTA), Western Cape (Cape Town), Eastern Cape (Bisho) and KZN (Durban).

These offices have proved to add value to contractors, especially emerging contractors, who do not have to travel all the way to Pretoria to attend to their registration matters. The CCCs in the last five provinces will be established during this Financial Year.

IMPROVING THE INFRASTRUCTURE DELIVERY CYCLE

A lot of work has already been done between the Department, National Treasury, Development Bank of Southern Africa and Construction Industry Development Board to improve the budgeting; planning and budget spend on infrastructure through the Infrastructure Development Improvement Programme (IDIP) in the provinces. This programme will now be extended to municipalities.

NATIONAL INFRASTRUCTURE MAINTENANCE STRATEGY

The stock of infrastructure that is owned by government and its agencies are already major and increasing at a rapid rate because historically South Africa prioritized creation of new assets compared to their maintenance.

Cabinet has recognized the importance of infrastructure maintenance within government and the role that effective maintenance will play in support of ASGISA. To this end cabinet has approved the National Infrastructure Maintenance Strategy (NIMS) and Public Works as the lead Department. As a signal to the beginning of the implementation of the strategy, a symbolic launch event was held this morning. The effective implementation of the strategy requires significant coordination within government, in order to ensure that all the organs of state plan effectively for and implement maintenance of their strategic infrastructure.

PROPERTY MANAGEMENT TRANSFORMATION

Honourable members, last year we informed you about the need for transforming our property sector as it is our responsibility. We have together with the Members of the Executive Councils developed a strategy to achieve this objective. This has been supported by the clarification of our disposal policy which will take into consideration the issues raised in the negotiation of the Property Sector Charter

and the role that government can play utilizing its portfolio to further enhance transformation.

However this has been met with some resistance from the private sector. For instance there have been reprisals that greeted the department's decision to restructure its leasing portfolio, recently culminating in the eviction of the Department's tenants in Johannesburg and Nelspruit. This has not stopped engagement between ourselves and the industry. We have had a Ministerial retreat with senior executives in the industry facilitated by SAPOA. A range of follow up issues were agreed upon including human resource development.

SUPPORT TO LAND REFORM

In 2007-2008, the Department of Public Works approved the release of 525 hectares of State land, valued at more than R54 million, to the Departments of Land Affairs and Agriculture for land reform purposes as well as another land for allocation to emerging farmers in terms of Government's *Land Redistribution through Agricultural Development (LRAD) Programme*.

Prioritized Capital Works and Planned Maintenance 2007/08

The construction of the Kimberley correctional facility on behalf of the Department of Correctional Services remains one of our star projects. Despite its size and the bouts of inclement weather that we have experienced, the project is on track with the first technical handover planned for early next year.

Border Control Operational Coordinating Committee (BCOCC)

In the 2007/08 financial year, DPW delivered over R 238 million worth of physical and ICT infrastructure to various ports of entry. The Department provided repair and maintenance services at 90% of land ports of entry and at all the border line bases, to address occupational, safety and functional requirements.

Ahead of the 2010 preparations, the Lebombo Ressano Garcia One Stop Border Post between Mozambique and RSA received added impetus and construction work will commence during 2008/09. The designs for the redevelopment of Skilpadshek land port of entry between Botswana and RSA were completed in 2007/08 and ready for construction of operational, residential areas and bulk services in 2008/09. The contractor site handover has been performed for Phase 1 of Golela land port of entry between Swaziland and RSA, which entails the construction of the operational and residential areas of the border post. A construction tender for the final phase (operational area) for the redevelopment of Violsdrift land port of entry between Namibia and RSA was advertised in 2007/08.

The department has received a total allocation of R478 million in 2008/09 for delivery of physical infrastructure, repair and maintenance of the various land ports of entry.

CONSOLIDATION OF THE AFRICAN AGENDA

Accordingly, this year will see the commencement of the project to construct the Pan African Parliament building at Midrand in Gauteng following the successful continental architectural design competition we held last year.

In November 2007 South Africa and the DRC signed a Memorandum of Understanding on cooperation on issues related to Public Works and Infrastructure. A technical team is due to visit the DRC to investigate areas of cooperation as outlined by the national priorities of the government of DRC.

In February 2008 a DPW technical team visited the DRC to conduct a feasibility study on the refurbishment of the National School of Public Administration in Kinshasa in collaboration with SAMDI. The project is estimated to cost R7 million and will be funded by the African Renaissance Fund.

RE KGABISA TSHWANE

We are continuing to address the location of government buildings within the city centre of Tshwane as our contribution towards the inner city development programme. We are concluding the lease agreement to ensure that as early as next year the Department of Home Affairs is back in the City Centre. During this year the Department of Health will be back in Civitas Building after its rehabilitation. We have done a land swap with the Provincial Government of Gauteng in order for us to have available the TPA building for the department of Minerals and Energy.

In support of other government departments , we are working with the Freedom Park Trust and the Department of Arts and Culture to ensure that we fast track the construction of the Freedom Park. There have been some challenges in this regard owing to the litigation by some tenants on the Transnet Properties that we had agreed with this State owned entity to acquire for the Freedom Park. It is our hope therefore that this legal process will not stand in the way of the development of the creation of this national asset.

GOVERNANCE

The Expropriation Act of 1975 predates the Constitution, which provides that any law or conduct inconsistent with the Constitution is invalid and any obligation imposed by the Constitution must be fulfilled. Cabinet tasked the Department to undertake a thorough revision of the current Expropriation Act, to ensure consistency with the spirit and provisions of the Constitution, especially those sections dealing with equality; property rights; access to information; and lawful, reasonable & procedurally fair administrative decision making.

In honor of our constitution which is the supreme law and the basis for our legal integrity, the department published in November 2007 a document on the amendment legislation for consultations, and discussions. After these

consultations, Cabinet approved the Bill for tabling in Parliament where the Bill is now being dealt with.

We applaud the Portfolio Committee's meticulous arrangements to take the Bill to the public to solicit inputs. I am informed that the public hearings have started nationwide and will culminate on 13 June 2008.

POMPFREIT

This year, we commenced the process to relocate the remnants of the former Battalion 32 from government –owned land and buildings at Pomfret. Let me remind the house that Pomfret was not designed to be a township nor a suburb; instead it is was built to be a military base which later was declared superfluous, to the needs of the current national Defence force and was duly given back to Public Works to dispose of.

Government takes comfort that after nearly two decades, the security of tenure of Pomfret former residents is finally guaranteed and like many South Africans they can begin to participate in opportunities brought by government programmes, projects and policies.

ENERGY EFFICIENCY IN GOVERNMENT BUILDINGS

DPW recognises that the energy efficiency commitments need to be seen in the broader context with the national imperatives of increased investment, economic growth and job creation; or the business drivers of efficiency, competitiveness and safety standards. Therefore, its initiatives will be aligned with the target of the Power Conservation Programme (PCP), to reduce the final energy demand of all the buildings and facilities under its custodianship by 10%.

CONCLUSION

Scholars have always argued that hope is a belief in a positive outcome related to events and circumstances in our lives. Hope implies a certain amount of despair, wanting, wishing, suffering and perseverance, believing that a better life or positive outcome is possible even when there is some evidence to the contrary. We too, believe that today is better than yesterday and tomorrow will be even better.

I would like to express my gratitude to the Portfolio Committee on Public Works and the Select Committee on Public Works for their unstinting support during the past financial year. Your support has been vital in us taking the work of government forward and improving the lives of our people.

My thanks go to the Director General of the Department, Mr Manye Moroka and his management team for a solid performance that they have put during the past year. I also want to thank the entire staff of my Department for their work output. It has improved tremendously this year and I say let us continue.

Thank you.