

DEPARTMENT OF PUBLIC WORKS, BUDGET VOTE
SPEECH TO THE NATIONAL ASSEMBLY
THE MINISTER OF PUBLIC WORKS, MR GEOFF
DOIDGE, MP

DATE: Wednesday 17 June 2009

VENUE: National Assembly, Cape Town, Western Cape

- The Honourable Speaker/Chairperson
- Honourable Members
- The Acting Director- General of the Department
- Other Senior Managers
- Representatives of our Public Entities
- Invited guests
- Ladies & Gentlemen:

We have entered a new phase of deepening our democracy, a period our Honourable President calls “an era of renewal”. We have experienced the people’s energetic expressions of their needs. We heard their voices and have seen a renewed vigour in how they participated in the recent election. They gave the majority party a mandate to translate policies into

programmes of action so that the infrastructure of this country is properly developed and people's lives are further improved.

I am sure no one will disagree with me when I say, "The world is a very different place to that of the last 15 years." Such a fundamental shift requires us to review, reshape and rejuvenate if we want to succeed and grow, as individuals, as families, as departments, as a government. For the Department of Public Works, it cannot be business as usual in such a time of change. Our response is essential if we are to rise to deliver what our President and our electorate expect from us. It is time for us to raise the bar in every aspect of our endeavours.

It is time for the Department to refine its focus, align its key competencies upgrade its capabilities, measure its performance and deliver property development and management services that measure up to industry standards. For us to be the service provider of choice and to stretch our budgets so we can deliver more, requires us to undertake a "Turnaround Strategy." We will begin this process this year with the intention of improving

- (a) our customer service,
- (b) the conditions of the states buildings,
- (c) improving our delivery time on projects,
- (d) the cost efficiency and
- (e) improving our productivity.

Our aim is to “*do more with less*” and for all of us to learn the art of “*commitment to excellence.*”

Chairperson;

In this budget debate, as the political leader of the Department of Public Works, I have to take into account the people’s wishes. We therefore recall that through those resolutions millions of ordinary South Africans said that we should directly absorb the unemployed through:

- “a) Labour intensive production methods and procurement policies.
- b) Significant expansion of the public works programmes linked to the expansion of economic infrastructure and meeting social needs with home-based care and early childhood development on a massive scale.

- c) A much larger national youth service ensuring the linkage of industrial strategy with key youth development programmes in the form of an integrated Youth Development Strategy and;
- d) Programmes that target the employment of women.”
(*Polokwane Resolution on ETC no. 2.7*)

The Expanded Public Works Programme (EPWP) is a government-wide intervention to create both short and ongoing work opportunities. The target for Phase 1 was to create 1 million work opportunities and this was achieved a year ahead of schedule. A total of 1.4 million work opportunities have been created by the end of the first 5 years.

The second phase of the programme was launched on the 4 April 2009 and its distinguishing feature is the introduction of a fiscal incentive that will be available to support infrastructure projects funded by Provinces and Municipalities to create additional work opportunities.

This year alone, the EPWP incentive bonus scheme targeting the Provinces, Local government and the Non-

State sector will be R465 million, and the figure will increase exponentially every year until 2011/12 to cover the R4.1 billion allocated in the current Medium Term Expenditure Framework.

The EPWP II is now committed to increasing its target to create 4 million work opportunities for the unemployed by 2014, starting with an immediate target of creating 500 000 work opportunities in the first 9 months of its implementation by December 2009.

EPWP II is able to deliver because we have the systems for delivery in place. A monitoring and evaluation element will be added to the system to ensure responsiveness of the department. As the plan is rolled out, we shall have the necessary research capacity built into this system not only for regular report-backs but also to ensure that best-practice models are recorded so that further success can be ensured. In addition, we want to ensure that where blockages exist, they are identified and improvement strategies implemented swiftly to ensure that the people benefit as soon as possible.

The four million job opportunities envisaged under the Programme is a conservative estimate. Our country is rolling out the biggest infrastructure development programme in the developing world, so the infrastructure sector of the Programme is again positioned to contribute more jobs, in excess of 2.3 million, followed by the environment & culture sector at 1.1 million and the social and the Non-Government sectors together yielding more than 1.3 million jobs. We are certain these figures are achievable given what we have in our plans.

To facilitate implementation of the programme, protocol agreements with clear targets for each province and municipality clarifying their contributions towards the creation of the 4 million work opportunities will be signed with all Premiers and Mayors.

Every year the Department manages hundreds of construction-related projects of varying values and sizes, ranging from simple repairs and maintenance to multi million rand capital works projects. This is the portfolio that as a matter of policy will be regarded, and treated as potential EPWP labour-intensive projects. In this financial year the

Department is managing an allocation of R5.2 billion rand as part of this mandate, we shall continue with the skills development and job creation elements of our strategy, in our haste to beat unemployment and achieve the Millennium Development Goals by 2014.

An amount of R 1. 2 billion has been allocated for the DPW capital works programme including the undertaking of some of the well-known projects such as the Land Ports of Entry (R570 million), dolomite rehabilitation projects (R149 million), Prestige (R230 million), and the Apex priority projects.

In addition the Department is spending over a billion rand in the next three years to provide special and major capital projects on behalf of its client departments under the ambit of its Inner City Regeneration Programme & Project Management Branch.

As a demonstration of our resolve, we are exploring every possibility to eke out increased number of opportunities from our building programme in support of government's stated commitment to create decent jobs. Already a total of one hundred and eleven EPWP potential projects with a

combined value in excess of three billion rand have been identified in the current financial year through our network of Regional Offices spread throughout the country, creating job opportunities for about three thousand eight hundred (3800) beneficiaries.

Chairperson, we are very aware of the fact that this Department has in the past been heavily criticised for the poor state of maintenance of government fixed properties. As part of our strategy, we intend developing a prioritization model for the utilization of planned maintenance to improve the conditions of state-owned assets this financial year.

The launch of the National Infrastructure Maintenance Strategy (NIMS) in 2008, we believe, signals a resolute decisiveness to recognize the building maintenance industry as invaluable to the socio-economic imperatives of the country. In conjunction with our public entities; the Construction Industry Development Board (CIDB) and the Council for the Built Environment, we envisage an effective rollout of NIMS with emphasis on all spheres of government to implement proper plans, which will factor in maintenance of public infrastructure.

In support of the National Energy Efficiency Strategy, the Department developed the Energy Code of Conduct for equal application to custodians, and the users of government buildings.

In recognition, the National Treasury has allocated R230 million in support of the DPW Energy Efficiency Programme over the MTEF cycle. We are pleased to announce that this will enable the Shared Energy Contracts to be extended to the other DPW Regions.

The ANC National Conference Resolution no. 49, taken in December 2007, instructed emphatically that this department should ensure that the “Building of schools to replace mud schools must be included in the EPWP”. With the launch of the Programme to eradicate mud schools and other inadequately built school structures in 2007, through the Independent Development Trust (IDT), the Department had taken the first steps towards aligning its programmes to rural poverty alleviation. To date we have handed-over eight of these schools complete with access to solar energy, safe sanitation, I.T resources, vegetable gardens and school

furniture. We intend to hand over a further nine by end of September 2009.

Africa is our home and we are proud to see that the first batch of the civil works for the construction of the Pan African Parliament have begun at the site owned by the government near the Head Offices of the Development Bank of Southern Africa in Midrand, Gauteng. In Uganda, the Department completed the construction of the Oliver Tambo Military School of Leadership for the benefit of the Ugandan Peoples Defence Force at Kaweweta. The site has significance for our liberation because it housed our young cadres during difficult times of the struggle and many of them made ultimate sacrifices there.

In February this year, together with the Department of Defence, Public Works exhumed six graves of the fallen Umkhonto We Sizwe soldiers from the capital Kampala for re-internment at the Heroes Corner in Kaweweta where they rejoined other fallen comrades. We thank the government of Uganda and their construction and built environment professionals for the job well executed.

Since the mid 1990s, the Department of Public Works has on behalf of the government been leading the campaign to regulate the built environment for growth, development and transformation. Most of the work in the industry over the last decade was based on the White paper entitled “Creation of an enabling environment for the reconstruction, growth and Development in the Construction Industry”. It is important that the industry reflects the transformation of our society on a broader scale. It is for this reason that we will establish a team that will undertake the White Paper Review and help us to set our ship in the right direction.

I have over the last few months re-established a partnership with all our agencies in the built environment and am pleased with the progress some have made towards transformation and regulation of the industry. We will continue engaging with the Council for the Built Environment (CBE) and the Professional Councils to transform the industry.

Honourable members, a milestone was reached when on 4 May 2009, the Construction Charter was gazetted which commits both the Construction industry and Government to

fulfilling transformation targets. We also hope to further the work on the property charter this year so that we could also celebrate its completion soon.

Under the leadership of the CIDB, to date seven Construction Contact Centres have been established and two more will be opened soon. Construction Contact Centres are central to building contractor capacity for effective public infrastructure delivery and job-creation.

As we celebrate the 40th Anniversary of the AgrEment Board of South Africa, we have identified the need to increase the visibility, the role, the capacity and the contribution of this important institution. Honourable Members, the Board encourages innovation, research & development as well as technological improvements of non-standard products mostly related to construction.

CONCLUSION

Chairperson, I am equally fortunate to have as my colleague in Public Works, the Honourable Deputy Minister, Ms Hendrietta Bogopane-Zulu. As part of turning the tide at Public Works, we have examined the focus areas and agreed that our Deputy Minister will be responsible for the important Asset Management Programme which has as its key task the provision of a comprehensive Asset Register.

Deputy Minister will also be focusing on the Contractor Development Programme, the Property Incubator Programme and Departmental governance regarding representation on various entity boards.

Chairperson, we all heard our Honourable President in his State of the Nation Address. He pledged, on behalf of us all, to the people of this country, that “this administration will insist on putting people first in service delivery”, and we, as Public Works, have heeded that call.

I thank you.