

**SPEECH DELIVERED BY MINISTER OF PUBLIC WORKS
MS THOKO DIDIZA, MP, TO THE NATIONAL COUNCIL
OF PROVINCES ON JUNE 06, 2006**

Venue: NCOP, 120 Plein Street, Cape Town

Date: 06 June 2006

Theme: Budget Vote

- Chairperson
- The Deputy Minister of Public Works, Mr. Ntopile Kganyago
- MEC's for Public Works from various provinces
- Honourable members and delegates from provinces
- Senior Management of the Department of Public Works
- Senior leadership and management of our statutory entities
- Distinguished Guests
- Ladies and Gentlemen

It gives me great pleasure, Chairperson, to deliver what is in effect my maiden speech in this House in my capacity as Minister of Public Works. Indeed it is an honour and a privilege for me to take the opportunity granted to me by this House, to pay tribute to my late predecessor uNkosazana Stella Nomzamo Sigcau.

I am in a privileged position Chairperson because I know that I stand on the shoulders of giants like Nkosazana Sigcau, and other great women of our country who laid concrete foundations for our liberation and helped this

country reach not only its political freedom but also economic liberation for all including women, the youth and the disabled.

Mpathi Sihlalo, kubalulekile ukuthi ngiphinde ngibonge uzakwethu Ummumzane uRadebe ongu Ngqongqoshe wezokuThutha okunguyena owasibekela umhlahlandlela wokuthi ngabe lomnyango wezemisebenzi yoluntu kufanele wenzeni.

Siyokhumbula ukuthi ngaphambilini lomnyango wawumbaxa neminye ungazimelanga wodwa. UKhongolose ekuthatheni izintambo zombuso wabona kufanele ukuthi njengohulumeni kumele siwumise lomnyango ukuze ngawo sidale amathuba emisebenzi kubantu bakithi, ngaleyo ndlela silwe nendlala kanti kolunye uhlangothi sibe sakha ingqala sizinda, phecelezi I-infrastucture. Mhlawumbe ke masibuyele kancane nje ekuthini ngabe lomqulu womhlahlandlela walomnyango uthini.

The White Paper on the Transformation of Public Works published in 1997 outlines the key areas of our focus and will in the main determine the trajectory we will take in the coming years. According to the White Paper Public Works provides and manages accommodation for line function departments (including additional facilities of the Department of Justice, Correctional Services, Defence and Safety and Security).

We assist line function departments in the development of policy for infrastructure delivery, and to lead the transformation of the construction industry in line with the National Public Works Programme principles. The White Paper further enjoins us that in carrying out these roles, our core

functions are in the property advisory services, property development, property management and the National Public Works Programme. These are further broken down to project management, property investment and property and facilities management among others. In other words we are involved in the entire value chain of all these sectors and we intend playing that role more effectively going forward.

Clearly, as we undertake this task we will time and again evaluate how far we have moved through our many programmes to address our mandate as a department. As we assess our performance on the previous year's budget we are guided by these very objectives. Budgets by their very nature are about choices that one makes in dealing with the many needs and wants that are there. As a department we have over the many years tried to manage the many needs that have arisen as a result of the new dispensation such as managing our property portfolio, while at the same time ensuring that we lead the Expanded Public works Programme. The management of our resources unfortunately has been a cause of concern for ourselves and members and these are matters we had had to address.

The past financial year marked a turning point in the efforts of the DPW towards prudent financial management and the creation of an organization that is better able to deliver on its core mandate. In that period we were pleased that the Department was awarded an Unqualified Audit report in recognition of the various interventions instituted in the past. In 1999 we adopted the *Mintirho Ya Vula Vula* (Actions Speak Louder than Words) as our programme of action as well as the basis for our turn-around strategy wherein we committed ourselves publicly to clean administration, good

corporate governance and the accelerated delivery of quality products and services in creating a better life for all. We are encouraged that the hard work started all those years is now beginning to pay off.

In seeking efficiencies in the delivery of government service we have, in line with our Public Works White Paper, since April 2006 devolved our leasing, maintenance, property rates and municipal services budgets to our client departments. We will devolve the property rates to the Provinces in due course for all the properties vested in their names. Again, Chairperson, in line with the White Paper, it is now three years since we devolved the Capital Works Budgets to clients.

We are devolving budgets in order to increase transparency in the budgeting process, and to introduce incentives for the efficient use of resources. This step, it is believed, will ensure that government departments have a much stronger incentive to use office space, water and electricity more efficiently because for the first time these costs will be coming from their own budgets.

It is important to note that the Department of Public Works continues to render the functions associated with these budgets. We are devolving the funds but not the functions. It is however necessary for us as a department to reflect what obligations will arise for us with regard to this new relationships between ourselves and our clients. Firstly, the services we must render must be efficient and effective. It means the response time must take into consideration the needs of our clients. Issues of oversight and supervision must also be taken into consideration. The in house capabilities within our civil service to manage this new relationship that would have

been occasioned by this new change is something we would need to reflect on. After care support to ensure that our clients are satisfied is also critical. The question that we need to ask ourselves in this regard therefore is whether or not we have a structure that is responsive to the new circumstance.

As a result of the revenues we will receive from client departments through the accommodation charges, DPW will spend approximately 50% more on maintenance over the next financial year than we spent in the past financial year. I must say that we anticipate growth in the maintenance budgets in the coming years, because we also expect gradual increases in accommodation charges to meet market-related levels.

Continuing with our quest for effectiveness and efficiency, we achieved 100% expenditure on our allocated budget of five point five six billion rand (R5.56 billion) for the 2005/2006 financial year. In fulfillment of our core function to provide land and accommodation for the State and its institutions, we spent approximately two point five billion rand (R 2.5 billion) on capital construction works.

The issue of the improvement of the Asset Register must be seen in its proper context. Firstly, as a state we need to know what we own, its current state, and what possibilities are there for using it for state domestic purposes. It is true however that not all state assets, particularly immovable assets will address the immediate needs of the state and therefore require a reflection on how best the state can use such assets in a manner that addresses the socio-economic challenges that we still face as a country. This may mean Public

Private Partnerships that can be developed in the management of such assets, while some may require disposal as stated in the State Land Disposal Act of 1961. This legislation makes it possible for government to dispose through donation, outright sale and long-term lease. It must also be noted that this legislation must be understood in line with the Public Finance Management Act on the disposal of state assets.

If I were to take the disposal of state assets for instance, among the things that must guide us is to what extent can this property be used by the state for its needs currently or in the future, secondly, it is whether or not it may be leased on a long term basis to a tenant with clear guidelines on its maintenance, and thirdly, whether or not in outright sale it can contribute towards addressing socio economic imbalances.

In disposing of some of these assets we will ensure that every property has been subjected to thorough analysis and will dispose only on a case- by- case basis. Our disposal policy must of necessity take cognizance of the stipulations of the 1997 White Paper, which mandates Public Works to actively manage the state property portfolio. It is however also my belief that we need to retain our potential to actively play a role in the market and to that extent we will keep some strategic properties we may require for this purpose.

The Department, in conjunction with the Department of Defence, has been running the 2004 Youth Foundation and Skills Development Programme in which there are currently 72 learners aged between 13 and 16 participating from the Eastern Cape, Limpopo, Mpumalanga, Free State, Northern Cape

and the Western Cape. In 2005/06 the programme had a budget of R1, 4 million. The 2014 Youth Foundation aims to attract the youth into the construction industry by hosting school holiday camps. Learners are exposed to the built environment through a coordinated programme e.g. talks by professionals, site visits and working on design projects.

Chairperson, our flagship skills and job creation programme the EPWP is on course to deliver on its mandate. The EPWP has surpassed its employment creation targets, across four sectors, with more than 301 000 work opportunities created to date. On average 52% of the beneficiaries were female and 38% youth. KwaZulu-Natal had the highest number of job opportunities created with 66 317 beneficiaries of which 33% was youth and 0.3% were the disabled. This province also had the highest number of female beneficiaries in the whole country at 62% as well as the highest wage payout of R126 million.

In line with the 30th anniversary of the June 16 Uprisings it is fitting to talk about how the EPWP has benefited young people. At 51% Mpumalanga recorded the highest number of youth employed in the EPWP so far. This was followed by Free State at 48%, Gauteng (46%), North West (44%) and the Western Cape at 40 % of youth employed.

environment for fraud, corruption and maladministration. In April 2005, DPW initiated a process to develop a Broad Based Black Economic Empowerment (BBBEE) strategy. The preliminary phase to this process was to do an assessment of the current contribution to BBBEE by the

I want to thank the parliamentary oversight institutions for their critical inputs into the strategic direction of this Department. I am looking forward to a fruitful association with the Deputy Minister of Public Works, Honourable Kganyago, the Senior Management and the entire staff of the Department.

I THANK YOU