

BUDGET SPEECH 2014/15



MEC Public Works; Roads & Infrastructure
Azwinndini Jeremiah Dinga Ndou

Honourable Speaker

Honourable Deputy Speaker

Honourable Premier

Chief Whip of the ruling party

Chairperson of Chairpersons

Colleagues in the Executive Council

Honourable Members of the House

Chairperson of the Portfolio Committee,

Executive Mayors, Mayors, Speakers, Chief Whips, Councilors
Representatives of South African Local Government Association
(SALGA)

Acting Director- General,

Section 100 (1) (a) Administrator of Public Works, Roads and
Infrastructure

Acting Head of Department of Public Works Roads and
Infrastructure

Heads of Client Departments and Section 100 (1) (a)
Administrators

Chairperson and Board Members of RAL

CEOs and Managers of State owned entities

Leadership of the ANC and alliance partners

Veterans of our Liberation Movement

Leaders of the Opposition Parties

Our distinguished guests

Members of the media

Comrades and Friends

The People of Limpopo

Ladies and gentlemen

Today, we gather in this august house, as Members of the Legislature spanning 20 years of democracy having been entrusted with the responsibility by the African National Congress (ANC) to provide a better life for all.

As we enter the second phase of sustaining the work started in 1994 by the father of our nation Tata Nelson Mandela, may his soul rest in peace, we will ensure that we move with speed to render services to mitigate the triple challenges of poverty, unemployment and inequality which continue to deny our people universal access to quality life.

It is a great honour and privilege to stand before you, and be part of this monumental period, the beginning of the new term of government, a period in which we are called to ensure that we provide quality services through the implementation of the National Development Plan (NDP), which provides a roadmap on what elements to focus on in order to maximize the employment creation, of which one of the elements is better located and maintained infrastructure.

How humbling it is to take this opportunity to salute millions of the

people of Limpopo who voted for the African National Congress on the 07th May 2014 and gave this glorious movement a mandate to continue with the provision of a better life that was started in 1994.

This victory and the mandate that the people have entrusted upon us reminds us that the ANC inspires confidence and hope among our people. Indeed our people still know that the ANC lives and the ANC leads.

With the celebration of twenty years of freedom progressing smoothly, let's honour the memories of men and women who laid down their lives so that we can have the type of life we live in South Africa.

As we celebrate Women's Month and having emerged from the National Women's Day in particular, we must never forget the contributions made by women towards the realization of a free, democratic and prosperous South Africa, a country which we intend to continue to build. The more than 20 000 brave women of 1956 who marched to the Union Building to present a petition against carrying of passes, laid a foundation for women of today to actively and effectively contribute towards the total emancipation of our country. We take this opportunity to bow our heads in honour of all women of South Africa and say that indeed wathint' abafazi, wathint' imbokodo (you strike a woman you strike a rock).

Honourable Speaker,

We have walked a very tight rope to realise what we have set ourselves to achieve, at the same time contributing to economic growth and ensuring that economic and social infrastructure remains a top priority.

We commit ourselves in this august house that as we move into the second phase of our transition from apartheid colonialism to the creation of a new democratic society, which is characterised by the radical socio economic transformation, we shall never take the mandate that our people gave us for granted.

We will continue to use it to advance our social cohesion programme of building a truly united, non-sexist and a prosperous country, a country that truly belongs to all who live in it, both black and white.

Since its formation in 1912 the ANC has evolved into a rugged moral force for humanity by championing programmes that saw our country being different from what it used to be before 1994.

As we continue with our intentions to move Limpopo and South Africa forward, there will be a paradigm shift to fast track the provision of key services to the people of Limpopo. This shift demands a new cadre both in the executive council and the public service who will internalise service delivery and personify the work at hand going forward.

We have to move away from the narrative that says there is no hurry in Africa into the one that says there has to be hurry in Africa in order to create an industrialised country ready to compete internationally. It is time to change methods of engagement with our people in order to move our province forward for it cannot be business as usual while some among us are still trapped in poverty.

As we move our country forward, *“We, the people of South Africa, have journeyed far since the long lines of our first democratic election on 27 April 1994, when we elected a government for us all”* (Vision statement of the NDP) and we will be ably guided by the National Development Plan which reminds us that and I quote:

“We have created a home where everybody feels free yet bounded to other; Where everyone embraces their full potential; We are proud to be a community that cares; We have received the mixed legacy of inequalities in opportunity and in where we live; But we have agreed to change our narrative of conquest, oppression, resistance and victory; We began to tell a new story of life in a developing democracy; We began to share freedom and the uncertainties of living with it and in it” close quote.

As we will be implementing our programme of action developed through consultation with our people, we will be guided by this Plan which aims to eradicate poverty, increase employment and reduce inequality by 2030. The NDP lays the foundation for long term planning for this radical socio economic agenda over the next twenty years.

Honourable Speaker,

On 21 May 2014, The Premier of the Province, Mr. Chupu Stanley Mathabatha, tasked me with the responsibility to oversee the Department of Public Works, which was also given a new mandate to oversee the delivery of roads infrastructure. As I stand here, delivering my maiden speech, it is an honour to also deliver the first budget vote for the reconfigured department, which is called the Department of Public Works Roads and Infrastructure.

This is not an easy feat as the task comes with major responsibilities and challenges alike.

Honourable Speaker,

Allow me to outline the implication of this reconfiguration both on personnel and budget which symbolized the capacity to

deliver infrastructure to the Province.

The reconfiguration of the Department requires organizational assessment and alignment with the new mandate of the Department. The service delivery model and organizational structure will be reviewed to accommodate critical infrastructure related functions such as contract management, legal services and infrastructure procurement to ensure the Department is well equipped to serve in terms of its new mandates.

Two thousand five hundred and seventy five (2575) officials from Roads, who are in the core and support functions, will be transferred to the newly re-configured department. They join the current two thousand seven hundred and fifty seven (2757) officials of Public Works, to create a complement of over four thousand strong workforce. This is a process that is still being worked on by the relevant commissions set up to facilitate the transition and the process will be finalized in due course.

Honourable Speaker,

The responsibility also comes with the increase of the budget, as the infrastructure budget is to increase by R1.7 billion of which R500 million is set aside for Expanded Public Works Programme (EPWP) and R1.2 Billion is to be allocated to the Roads Agency Limpopo (RAL).

There will also be a transfer of 7977 roads' assets to the value of R347 million.

Let me remind this house as to what our mandate as Public Works, Roads and Infrastructure is:

- Planning, design and project management for capital projects
- Construction and Maintenance of roads infrastructure
- Provision of facilities management at shared

- government institutions
- Building maintenance
- Management of immovable state property
- Co-ordination of EPWP program in the Province

Honourable Speaker,

This is a mammoth of a task, however one that we are ready to manage and be able to deliver quality infrastructure for the people of Limpopo. Both the former departments of Public Works and the department of Roads and Transport have experienced great challenges in infrastructure delivery. We acknowledge the challenges we face and as a government ready to move South Africa forward, we have plans in place to address the shortcomings the department has faced in the past. These plans address capacitation challenges as well as delivery challenges where infrastructure is concerned.

Honourable Speaker,

The Department has a capacitation plan detailing a total number of built environment professionals planned to be recruited over a period of five years. A Budget of R31 Million has been allocated in the 2014/15 Financial Year for this initiative.

The Department has established the Professional Capacity Development and Mentoring Initiative (PCDMI) to deal with infrastructure strategic areas of Professional Capacitation, Departmental Capacity & Capability Development, Mentorship, IDMS compliance and monitoring. The Department has also entered into partnerships with large private construction companies to assist the existing infrastructure officials to register with various professional bodies. The identified need includes

skills development through on the job training, mentoring and professional registration assistance where candidates are to be paired with highly experienced Mentors.

As the Department we value youth development very highly because it is through our investment in the development of our youth that our province can become the centre of national excellence. In order for us to create a better Limpopo we have to invest in our youth to prepare them to lead and manage socio economic centres in Limpopo and South Africa.

The Department has signed a Memorandum of Understanding with Construction Education and Training Authority (CETA) for the enrolment of 400 learners in the Artisan Development Programme. The aim of this initiative is to bridge the gap of the skills shortage and improve the construction workforce.

A group of 300 young people are involved in the National Youth Service and are trained in Horticulture and a hundred more in the same programme will be trained through the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA) in boiler making and welding. We also have Limpopo Contractor Development Programme which is aimed at improving the performance of the Contractors in terms of quality and grading status of contractors in targeted categories.

Honourable Speaker,

In one of his speeches, former President Thabo Mbeki said and I quote, *“We are on course; steadily the dark clouds of despair are shifting; Giving way to our season of hope; Our country which for centuries had bled from thousand wounds; Is now progressing towards its healing”*.

President Thabo Mbeki was spot on because he knew that this government is committed to transforming the country for the better. Today South Africa is a better place to live in than it was before the dawn of democracy, and this is the vision that President Thabo Mbeki spoke about.

PRIORITIES FOR 2014-2019

Honourable Speaker,

As we kick start with the new term of government, allow me to present the priorities of the Department for the next five years: The Department plans to contribute towards the 426 000 work opportunities which the Premier pronounced during his State of the Province Address, through the Expanded Public Works Programme. We plan to Complete the compilation of the Asset Register as this has been our source of qualified audit opinion for years.

The Department will deliver five thousand six hundred and eighty (5680) projects in the next five years on behalf of client departments. We will also deliver our own projects which will include the refurbishment of government buildings.

We have proclaimed and updated road ownership and classification Gazette and transferred 1683 kilo metres of provincial surfaced roads to SANRAL. We intend to engage municipalities in an attempt to popularise this initiative and get municipalities to know which roads are indeed theirs in order to assist them avoid qualification on issues concerning road maintenance, as it has been the case.

The department will lead the Construction of the long awaited Government Complex and Legislature and also focus on the

upgrading of the Parliamentary Village.

PRIORITIES FOR 2014/15

Transformation of Service Delivery in the Department needs a reflection as a way of improving on image and putting a culture of growth and renewal. This is because of performance of the department in the past 5 years since it has not fared well from the audit outcomes.

However, we are not sitting back and folding our arms. We have contracted Price Waterhouse Coopers (PWC) to assist the department in managing its finances, and also assist in the compilation of the Immovable Asset Register.

Honourable Speaker,

As we reflect on service delivery in the past five (5) years it is apparent that performance planning needs to be given immense attention, in line with the National Development Plan (NDP).

In order to embed the NDP into future strategies of the Department, the Medium Term Strategic Framework (MTSF) outcomes will form the core of Performance Planning. The Limpopo Department of Public Works needs to take the initial steps to position itself in order to respond to the challenges of optimal service delivery if it is to remain relevant and employ ingenious solutions to the situation in the Department.

We will set ourselves achievable targets in different programmes for the Financial Year 2014/2015 according to the Medium Term Expenditure Framework. The Department wishes to operate as a key and strategic partner in infrastructure delivery for the provincial administration in line with Government Immovable

Asset Management Act, which will be amplified in the Strategic Plan and the Annual Performance Plans. Our mandate is by and large given effect in the MTSF and set government socio economic objectives and priorities. The Department is therefore ready to fulfil its mandate in the medium term.

INFRASTRUCTURE DELIVERY

Honourable Speaker,

During his State of the Province Address on the 26th June 2014, the Premier of our province Premier Chupu Stanley Mathabatha said “Social and economic infrastructure is the backbone of the economy in the province. The next five years will, therefore see us accelerate infrastructure development programmes to unlock the economic potential of our province”. It is against this backdrop that the province has set up a team to develop Limpopo Integrated Infrastructure Master Plan (LIIMP) to coordinate the infrastructure development and delivery agenda. This will assist the Province to deliver conducive, functional infrastructure where quality education and healthcare can be provided.

In 2014/15 financial year, the Department of Public Works, Roads and Infrastructure will support client departments in rendering quality services by implementing 733 projects for the people of Limpopo. These projects include Health projects, Social Development Facilities, School projects, libraries, as well as the refurbishment of the Lebowakgomo Government Complex and the Parliamentary Village.

TRADITIONAL COUNCIL OFFICES

Honourable Speaker,

The Department will continue to employ its in-house capacity in the construction of the Traditional Council Offices across the province. The in-house approach has proven to be an effective cost saving strategy for the department.

We are currently doing work on five traditional council offices. The Moletjie Council office under Kgosi Moloto is currently at 65% completion stage, The Sekororo council under Kgosi Sekororo is at 80%, Roka Malepe is at 49% and Kwa- Litho traditional council offices in Rapotokwane is completed and will be handed over Soon.

Honourable Speaker,

Commitment to construct council offices has been made to 12 chiefs in all five districts in the 2014/15 financial year. From 01 April to 05 May 2014, the Department tirelessly embarked on an ambitious exercise to host sod-turning ceremonies in different villages. On a daily basis the Public Works team went out and did sod turning ceremonies at twelve (12) Traditional council offices for 12 Traditional leaders.

The construction of these offices will be done by our in-house teams stationed at district offices; they will be supported by Expanded Public Works Programme (EPWP) beneficiaries who will be sourced from the communities.

Honourable Speaker,

We see this as a step in the right direction as it really speaks to what Public Works is about, skills development and infrastructure delivery, while saving costs.

The Department is confident that these infrastructures will be of quality, delivered in time and within cost, as we have partnered with the Independent Development Trust (IDT) in managing certain projects and we will also be operating in-line with the Infrastructure Delivery Management System (IDMS), the best tool in the delivery of infrastructure.

The projects for the client departments are as per the 2014/2015 Infrastructure Programme Management Plan.

We are confident that projects will be completed as the department also currently has an active Planning and Design Chief Directorate, which amongst others, is tasked to assist in improving the management of land and building infrastructure. It is also its responsibility to ensure that Service Delivery Agreements are signed and actioned, to ensure projects are completed within prescribed times.

An amount of 92- million 979 thousand rands (R92, 9 million) has been allocated to the construction programme and 36- million 429 thousand rands (R36,4 million) has been allocated to the planning and design programme

Both of these programmes, which make up Programme two, have taken 68% of the overall budget.

Honourable Speaker,

In terms of Properties and Facilities Management, we commit to improve the management of immovable assets utilized for government service delivery. The Department will strive to update the Immovable Asset register to comply with Government Immovable Asset Management Act (GIAMA). This will be done through surveying of all properties on communal land, which will also assist in getting service delivery facilities vested in the name of the province.

This vesting process will require an engagement with traditional authorities for them to release land where state domestic facilities are built in order to register these properties in the name of the province. The registration of these facilities in the name of the province will also assist in enhancing the revenue collection of municipalities as the properties will then become ratable and the Limpopo Department of Public Works will be liable for rates.

Focus will also be on the compilation of the User Asset Management plan (U-AMP) and the Custodian Asset Management plan (C-AMP). It is through these processes that we intend to create work opportunities in the five districts.

The department has begun the process of space audit and focus will be in head offices of provincial government departments. The process will assist in accommodating departments in line with the new mandates. This process will also assist in determining the utilization of office space for both state-owned and leased buildings. The outcome of the space audit will determine new allocations of accommodation and this will lead in reducing the leased portfolio of the provincial government thereby reducing the provincial bill on leases and the departments must be ready to share office space. This programme has been allocated an amount of **509 million 264 thousand rands (R509 264 million)**.

EXPANDED PUBLIC WORKS PROGRAMME

Honourable Speaker,

In his state of the Nation Address, President Jacob Zuma, re-emphasized the critical role EPWP continues to play “ EPWP and Community works Programme continue to be an effective cushion for the poor and the youth”. It is because of this critical role that a Strategy Paper for EPWP Phase 3 for the period 2014/15 to 2018/19, which provides strategic objectives, targets and framework for the phase, has been approved by National Cabinet. Challenges and lessons learnt in the implementation of the first two phases of the programme with remedial actions as outlined in the EPWP Summit resolutions should provide guidance to all government bodies in the successful implementation of EPWP Phase 3.

The National target for Phase 3 for period 2014/15 - 2018/19 has been set at 6.37 million work opportunities or 2.56 million Full time equivalent.

Honourable Speaker,

The coordination and implementation of Expanded Public Works Programme (EPWP) in the province has been successful and this is evident in the number of national accolades Limpopo Province has received during the National Kamoso Awards. Since 2009 to date, EPWP in the province has won a total of eighteen (18) National Kamoso Awards, six (6) in Social Sector, eight (8) in Environment, and three (3) in Infrastructure and one (1) in Non-State sector. The Non State Sector recognizes the province as the best in the implementation of projects in this sector.

We will be hosting the Provincial EPWP Summit and also launch Phase III of the programme. For the effective and efficient coordination of this programme, there is an allocation of **27-Million 558 thousand Rands (R27,5 million)**, which is 3-percent of the overall allocated budget.

ADMINISTRATION

Honourable Speaker,

The core functions of the department are supported by what we refer to as Administration Programme. This programme consists of strategic support services that propel the department to function in an efficient and effective manner. The functions include Strategic Management; Human Resource Management and Corporate Services including Financial Management.

The support service provided by these units in our department does not go unnoticed, all the projects implemented and completed over the years as well as those still under construction forge ahead because there are dedicated men and women working behind the scenes.

The Department has set aside **262 –million 369- thousand Rands (R262,3 million)** for the Support Services and it accounts for 29 – percent of the budget.

Honourable speaker,

The overall budget for the 2014/15 financial year for the Department of Public Works Limpopo is **928 million 600 thousand Rands (928, 6 million)**. This is a 5-percent increase from the 2013/14 budget allocation. It is important to note that this tabled budget does not include the budget allocation for the

construction of Road infrastructure projects. The Department commits itself to adhere to the law and spend the budget in line with the Public Finance Management Act (PFMA).

Looking at compliance matters, Honourable Speaker, the Department was able to resolve 7 out of the 8 cases reported through internal structures. The department has also been able to respond to all 9 cases reported through the presidential hotline. There was also 1 case reported through the Premiers hotline, which has also been resolved. This indicates the commitment to continue serving our people with transparency.

Going forward we will show no mercy on any act of corruption and fraud. We will deal with corruption heavily because corruption and fraud delay and undermine the willingness of this government in meeting its target of building a truly caring society.

Honourable speaker,

In this financial year we recommit to focus more on beefing up financial systems especially around asset management, improving our Monitoring and Evaluation initiatives to improve performance, improving records management, strengthening supply chain management and Information Communication Technology systems. Risk management and timeous attention to audit matters will amongst others, serve as the bedrock of our corporate governance framework.

Honourable Speaker,

I would like to direct a word of thanks to the former Section 100 (1) (a) Administrator for the Department, Mr. Mbuyi Dondashe and his team, for the work they have done in the past 3 years.

It is time for the Department to stand on its own and move the Province forward.

Honourable Speaker, we are ready to take on the task.

I also thank the Acting Head of Department, Mr. Rampedi Walter Mothapo and his team for the support given throughout the process. Indeed we have a good story to tell in providing service delivery to the people of this province.

This Budget Speech takes place a month after the International Nelson Mandela Day which is celebrated in honour of this international icon for human rights. His dedication to this country is immeasurable. Tata Nelson Mandela spent 27 years in jail so that we can enjoy freedom and democracy. He ran his race and fought a good fight. The baton is now in our hands to continue with the preservation of the great legacy that he left for us. Let us keep the spirit and memory of Tata alive by always doing something good for humanity.

As we leave this House let us take words he said when he announced the ANC Victory after 1994 General Elections. He said I quote:

“We must without delay, begin to build a better life for all South Africans. This means building houses and creating jobs, providing education and bringing peace and security for all”.

Re A Šoma.
Inkomu
Ndi a Livhuwa
Re a leboga
Baie Dankie
I Thank you.

PROGRAMME	ADJUSTED APPROPRIATION 2013/14	2014/15	2015/16	2016/17
	R'000	R'000	R'000	R'000
PR1: Administration	237 339	262 369	287 533	302 674
PR2: Public Works	615 573	638 672	666 821	701 968
PR3: EPWP	30 149	27 558	27 374	29 704
TOTAL BUDGET	883 061	928 600	981 728	1 034 345