

**Provincial Department of Public Works
Budget Vote 09 for the Financial Year 2012/13**

Tabled by the Honourable MEC for the Limpopo Department of Public Works, Ms Thabitha Mohlala, on behalf of the Honourable Minister of the National Department of Public Works, Mr TW Nxesi to the Provincial Legislature on the 27th of March 2012

“Improved Infrastructural Development and Asset Management for the Economic Growth of the Limpopo Province”

- **Honourable Speaker and Deputy Speaker**
- **Honourable Premier**
- **Honourable Members of the Executive Council**
- **Honourable Minister of Public Works**
- **Honourable Members of the Legislature**
- **Honourable Chairperson and Members of the Portfolio Committee on Public Works**

- **Executive Mayors, Mayors, Speakers and Councillors**
- **Director General and senior officials of the Office of the Premier**
- **Representatives of South African Local Government Association (SALGA)**
- **Section 100 (1) (b) Administrator of Public Works**
- **Head of Department of LDPW, Heads of Client Departments and Section 100 (1) (b) Administrators, Municipal Managers and Heads of State Owned Public Entities**
- **The Leadership of the ANC, its alliance partners and veterans of the liberation struggle**
- **Leaders of opposition parties**
- **Traditional leaders, community and business leaders**
- **Our National Youth Service participants**
- **Comrades, friends and special guests**
- **Ladies and Gentlemen**
- **Avuxeni, Re a Lotsha, Ndi Matsheloni, Lotshani, Good morning, Goeie more!**

Honourable Speaker,

It is now a full year since I was sworn in as the MEC for the Limpopo Department of Public Works and it is my pleasure to dedicate this budget vote speech to all the heroes of the struggle who lost their lives during the 100 years history of the African National Congress for the democracy we cherish so dearly today. It is in their memory that the work we are committed to doing as the Department of Public Works on Infrastructural Development is based.

Honourable Speaker

This, my second budget vote speech, is also mindful of the era we are in as a provincial department. It is an era of immense challenges but with a hopeful pathway to recovery for the good of the people of the Limpopo Province.

As we all are aware, a Cabinet decision of 5 December 2011 placed five provincial government departments under administration in terms of Section 100 (1) (b) of the Constitution of the Republic of South Africa. One of these was the Limpopo Department of Public Works whose budget vote I table today on behalf of the Honourable Minister of Public Works, Mr. T.W Nxesi.

Honourable Speaker,

We deliver this budget vote speech in the year in which the ruling party, the African National Congress, is celebrating 100 years since its formation: years marked by many challenges, losses and victories that see us today as one of Africa's greatest nations with a world class constitution which protects and enshrines human rights as we celebrate every year in the month of March.

In this month of March, the ANC is celebrating its centenary through the recognition of the lives and times of many great men and women who played a crucial role in the liberation struggle.

In particular, on the 22nd March 2012 in Middleburg, His Excellency President JG Zuma, paid tribute to the late right Reverend Zacharias Richard Mahabane, who served as the third (1924-1927) and sixth (1937-1940) President of the African National Congress. President Mahabane is described as **“a diplomatic, slow-speaking and calm man, who combined politics and Christian ethics to fight racism. He was keen to unite all Blacks into one firm and positive political front. Through the ANC he constantly tried to educate Africans about their rights and made frequent representations against the colour bar.”**

It is also on this occasion that the President paid tribute to the struggle stalwart, Ma Charlotte Maxeke, who inspired Reverend Mahabane into joining the ANC. Ma-Maxeke was indeed a woman of note who founded what was then the Bantu Women's League, later to become the ANC Women's League in 1948.

Honourable Speaker

It is in this context that as the world celebrates 101 years of the launch on the International Women's Day in the month of March, that we find it befitting that as we salute the leadership of John Dube, Sefako Makgato, Zacharias Richard Mahabane, Josiah Gumede, Pixley ka Seme, Alfred Xuma, James Moroka, Albert Luthuli, Oliver Tambo, Nelson Mandela, Thabo Mbeki, and Jacob Zuma, we should also hail the contribution of the following women in the struggle for liberation and emancipation of women.

These women include Charlotte Maxeke, Lilian Ngoyi, Helen Joseph, Ray Alexander, Ilse Naude, Sophie de Bruyn, Dorothy Nyembe, Winnie Mandela, Albertina Sisulu, Rahima Moosa, and many other women from all walks of life who made a priceless contribution in the emancipation of women and the liberation of our country.

Malibongwe igama la makosikazi!!

Honourable Speaker

The budget I present today reflects the policy focus of national and provincial government as a whole as outlined succinctly in both the State of the Nation Address of 2012 and the State of the Province Address of the same year.

Through the detailing of financial and expenditure programmes, in the context of the intervention by national government, this budget speech mirrors the choices between accelerated service delivery, the promotion of economic growth, job creation, infrastructural development, improved asset management and improved financial management.

The challenge for the Department of Public Works is for the choices we make with the appropriated budget to reflect our immediate priorities and those elements of a longer term vision by contributing to the realization of the following government outcomes:

- Create decent employment through inclusive economic growth;
- Create efficient, competitive and responsive infrastructure network;

- Efficient and effective development-oriented Public Service and an empowered fair and inclusive citizenship;
- Skilled and capable workforce to support an inclusive citizenship; and
- Sustainable human settlements and an improved quality of household life.

Honourable Speaker

In October 2010, the New Growth Path was launched as a policy framework to provide the economic trajectory of government. The New Growth path identified as one of the key drivers for economic growth and job creation, infrastructural development through the development of public goods.

Set against the backdrop of State of the Nation Address of the 11th of February 2011 and again on the 9th of February 2012, His Excellency, President Jacob Zuma places much emphasis on the role of infrastructural development in the stimulation of vibrant employment-led economic growth.

It is with this compelling undertaking in mind that I present this budget to you here today. The important undertaking that we need to create decent employment opportunities, in a South Africa which has modern infrastructure and vibrant economy forms the basis of the mandate and the strategic plan of the Provincial Department of Public Works.

The strategic plan of the Provincial Department of Public Works over the next three years paths a renewed sense of enthusiasm and direction for the provision of official accommodation for all provincial departments, all members of the legislature, providing construction and property management services to client departments at provincial level and leading the successful implementation and management of the Expanded Public Works Programme (EPWP) in the province of Limpopo.

This budget vote speech is also presented at a critical time in the history of the construction industry as it experiences a serious decline as noted also in the South African Infrastructure Report for Quarter-4.

This is not an isolated problem to South Africa, but a global problem in the aftermath of a global economic meltdown, as confirmed by the KPMG 2012 Global Construction Survey which indicates that the need for infrastructure is at an all-time high.

It is against this background that President Jacob Zuma, in his 2012 State of the Nation Address, announced to the nation that “***For the year 2012 and beyond, we invite the nation to join government in a massive infrastructure development drive.***” A call echoed a week later by His Excellency the Premier of Limpopo, Cassel Mathale, in his 2012 State of the Province Address that “***Infrastructure expansion has been identified as one of the key pillars that must be used to improve the living conditions of our communities, whilst at the same time, creating job opportunities for our people.***”

Honourable Members,

The planning and implementation of the Department of Public Works' programmes are framed within the vital context of the statutory framework provided for in the Government Immovable Asset Management Act (GIAMA) of 2007 whose objective is to ensure efficient and effective planning and management of immovable asset within government, as well as to improve service delivery. As the custodian of state immovable assets, the Department has committed to use the state immovable asset footprint towards realizing government's key national priorities at a provincial level.

Effective state management requires improved lease management. The lease portfolio is costing the province a lot of money. Investment in repair and maintenance, continuous maintenance and construction of new government buildings could generate major savings for the state, a process we will be embarking on. This will also include ensuring the relocation of departments to state owned buildings where it is feasible to do so and consolidation of Departments in districts, to create government precincts.

The department has therefore embarked on a programme to increase the number of government owned buildings by building additional offices, especially public service centers within communities.

Thus we are happy to report to the House that, as we committed in the previous budget vote speech, both Mulima Traditional Council Offices and Rapotokwana Traditional Council Offices are at completion stage and will be handed over in due course to the VhaMusanda Mulima and Inkosi Mahlangu respectively and their communities through the Premier and the Department of Cooperative Governance Human Settlement and Traditional Affairs.

Honourable Members,

We acknowledge that our leasing portfolio remains a challenge for the department but we will continue to find ways to structure current lease deals such that the socio-economic goals of government are realized including black, women and youth economic empowerment.

Together with the intervention team, emphasis will be placed on reviewing the costs of leasing to align with market values as guided by credible benchmarks such as the Rhode Report. In this way, considerable savings will be yielded for the provincial fiscus.

Honourable Speaker,

Linked to lease management is the construction management programme of the department. The Premier, in his 2012 State of the Province Address indicated that ***“We live in a province where traditional leaders play a major role in governance ... Our traditional leaders deserve better, and as the ANC led government we will ensure that traditional leaders and their Indunas get what is due to them.”***

The Department of Public Works will complement this commitment by continuing to build state-of-the-art Traditional Council Offices for our Traditional Leaders and their communities.

These offices are not only providing the much needed administration facilities for Traditional Councils, but also serve as public service centres as they accommodate departments such as Home Affairs and South African Social Security Agency (SASSA). In the 2012/2013 Financial Year we will build offices for the following Traditional Councils:

- Sekororo Traditional Council Offices, under Kgoši Sekororo in Mopani District
- Moletši Traditional Council Offices, under Kgoši Moloto in Capricorn District
- Rokamalepe Traditional Council, under Kgošigadi Dinkwenyana in Sekhukhune District.

These infrastructure projects and many others in our building programme, stand as concrete evidence of our approach towards faster and better service delivery.

Even more significant is the utilization of the construction management programme that uses our own in-house building teams of the Limpopo Department of Public Works.

This method will bring the province some financial savings while creating substantial direct job opportunities. We have since embarked on a program to release our artisans from stand-by service points in the Cost Centers to construction duties at project sites.

During the course of the year we deployed Public Works building inspectors to conduct condition assessments on all Traditional Council Offices in the province.

We are currently consolidating the final comprehensive report that we will share with the user department and key stakeholders to pursue possibilities of massively rolling out the programme of providing state-of-the-art Traditional Council Offices.

Honourable Members,

By the end of December 2011, the Department of Public Works had already completed 45 of the 116 projects under construction; the remaining projects are now at an average of 75% complete.

The complete projects include among others, 17 Schools and Mastec College; Thabaleshoba Health Centre and 2 projects in Thabampoopo and Letaba Hospital; and Rapotokwane and Shiluvane Libraries.

We have also managed to close all the 97 incomplete projects. These milestones we have recorded with the support of both our client departments and the Executive Council Infrastructure Coordinating Committee.

Honourable Speaker,

The new Infrastructure Plan announced by the President will effectively tackle inequality, poverty, and unemployment.

This is confirmed by the Chief Whip of the African National Congress, Mathole Motshekga, when he states that “***The infrastructure development plan, including its social infrastructure project, will benefit the poorest of the poor and bring them into the mainstream economy.***”

Our department will contribute in this revolutionary developmental programme for our people by implementing the following infrastructure projects in the 2012/2013 financial year:

- Complete 3 hospitals which are under the revitalization programme, namely, Letaba, Maphutha-Malatjie and Thabamoopo Hospitals.
- Construct 6 libraries: in Musina and Saselamane in Vhembe district, Mulati in Mopani, Shongwane in Waterberg, Vlakfontein in Sekhukhune and Molepo Library in Capricorn District.

We will also continue with the maintenance of 11 libraries using in-house capacity.

- Construct a service centre in Makhado Municipality and a new office in Molemole Municipality for the Department of Agriculture. We will also renovate Tompi Seleka hostels and install high voltage electrification.
- Build two market stalls in Tzaneen and Giyani in the Mopani District.

Honourable Speaker,

As we present this budget to this House, let me emphasize our commitment to continue working with the intervention team to achieve our plans going forward.

A total amount of **R859 million** has been allocated to the Department of Public Works for the 2012/13 financial year.

R248 million is allocated for administration, a 2% decrease from the current financial year.

To manage all facilities and also deliver new infrastructure the Department has set aside **R571 million** to achieve its objectives.

R39 million has been allocated to the Expanded Public Works Programme (EPWP), which represents an increase of 32% from the current financial year. This will enhance our coordination and the provision of incentives in the province.

Honourable Speaker,

The Immovable Asset Register has remained a challenge for the province to resolve and for the Department of Public Works as the custodian of immovable assets.

A number of challenges have existed over the years that have negatively influenced our audit outcome with regard to the existence of a comprehensive provincial asset register.

Systems, processes and sufficient capacity for the continuous management and enhancement of the immovable asset register will be the priority of the new financial year, with the assistance of the intervention team.

This will include clarifying roles and responsibilities between clients and custodian department with respect to a complete asset register as prescribed by GIAMA (2007).

A complete asset register will not only enhance our disposal programme, but will contribute positively to City Regeneration programmes, small town revitalization programmes and an overall revitalization of the provincial economy. Appreciation of the value of provincial state owned properties will no doubt have a rippling effect of drawing significant amounts of capital into our cities in the form of investments.

Honourable Speaker,

The year ahead will also be characterized by a clear Disposal Policy that embraces the social needs of a developmental state. The vesting of the state immovable assets in the correct sphere of government and department is critical not only for proper identification, ownership and geographical location of the assets but for responding adequately to the socio-economic objectives of the country.

I am pleased therefore to pledge our further commitment to continuing to empower local municipalities by transferring pieces of land that constitutes R 293 towns to them, which will enable them to carry out their local government mandates. To date we have been able to hand over 50 title deeds to both Sekhukhune and Vhembe District municipalities.

In the 2012/13 financial year, we plan to transfer five land parcels to affected municipalities.

Honourable Speaker

With regard to devolved property rates, the Department has processed payments for devolved property rates for municipalities amounting to R 26 million which represents 74% of the allocated R 35 million that was provided as a Conditional Grant.

Interactions with municipalities are taking place to address municipal debts owed by departments. Our department is an active member of the Limpopo Debt Reduction Forum that is led by the Provincial Treasury and COGHSTA to assist municipalities in clearing debts owed by government.

Honourable Speaker,

In 2011 we made a commitment to create 79, 604 work opportunities, and roll out an Expanded Public Works Programme (EPWP) Campaign to mobilize and support our implementing agencies to seize every opportunity available to create jobs for our people.

We are happy to account back to this House that by the end of December 2011, we had already recorded 81,981 work opportunities making us the best performing province against the set target, and the second best province (to Eastern Cape) in terms of actual number of work opportunities created.

On the same note, the province has already received R69 million of the EPWP Integrated Incentive, 96% of the set target of R72 million for the year.

This sterling performance by the EPWP family is among others a direct result of the EPWP Wednesday Campaign that was launched by Premier Cassel Mathale on the 9th of June 2011, wherein we visit EPWP projects every Wednesday and meet with members of the EPWP family; government departments, municipalities, contractors, workers, and projects steering committees.

Through this initiative we managed to visit 24 EPWP projects across the province and interacted with 1 589 workers.

56% of these workers are young people because we made a deliberate effort to fulfill the commitment of the Premier in his 2011 State of the Province Address when he declared that the province will ***“ensure that the youth will benefit from government contracts, EPWP employment opportunities and internship programmes.”***

Honourable Speaker,

Our learnership program has afforded work and training opportunities to 573 young people who have since completed their theoretical modules and are currently busy with the practical training.

This training does not only provide these young people with skills, but develops them into socially conscious responsible citizens whose view of the society can be responsible and selfless.

For example, it was through these young people that we discovered an indigent family around their Tshisimani training center who lived in a 1-room mud-house, and together with their mentor, mobilized building materials and furniture from people willing to help build a house.

Today Ms Tiyani Chauke and her four children in Tshakhuma village are staying in a fully furnished 5-roomed house built by our learners. We are proud of them!

Honourable Speaker,

Allow me to request Sesi Tiyani to stand up for the House to see her. Manana Chauke, yimani hi milenge va mi vona.

Today as we speak, the orange overalls and t-shirts of the EPWP have become a familiar brand across the province as a common service delivery vehicle for our communities.

We have since set aside R 38 million to coordinate EPWP in the province and we target to create 102,763 work opportunities in the 2012/2013 financial year.

Honourable Speaker,

For the past years, the Limpopo Department of Public Works has been faced with the challenges of scarce skills shortage especially, in the built environment.

To turn this tide, with the support of the intervention team, the Department will review its bursary programme to address scarce skills, and will continue to train 172 artisans in the field of Carpentry, Community House Building, Painting, Masonry, Plumbing, and Road Works in all five of our districts.

The Department also plans to run an Artisan Development Programme (Apprenticeship) for 346 learners for a period of two years. We also plan to enrol all 186 Community House Building NQF level 2 Learners with FETs, to further their training in order to enhance their acquired skills.

Honourable Speaker,

In conclusion, allow me to congratulate the Public Works Vhembe District Office for reclaiming our space in the Premier's list for Excellence Awards.

I am proud to announce that the District Office won the Silver Award in the Best Service Delivery team of the year category, for their landscaping work.

Honourable Speaker,

It is important to re-iterate that indeed we are a Department ready and committed to work in line with our motto of Re a Šoma, Ha Tirha, Ri Kho u Shuma, Ons werk. In this regard we would like to call upon all our stakeholders, to join hands with us in the quest to ensure that all our people benefit from the services we render.

This is the time for us to forge forward, work tirelessly and bring about tangible change to the people we serve. The period of being under administration will pass and as a Department we will be even better equipped to fulfill our mandate towards achieving a better life for the people of Limpopo.

On that note I am indebted to the support of the Minister of Public Works, Mr Thembelani Nxesi and his team led by the Administrator, Mr Butcher Matutle from the National Department of Public Works for their continued support in a collective effort to get Public Works to the next level of excellence. Indeed together we can do more.

Honourable Speaker,

Let me take this opportunity to also thank the Head of Department, Mr. Madidimalo Chaamano and his Executive Management Team, supported by all our staff members at Public Works, for the good work they continue to produce.

In the spirit of Mandy's poem, under all circumstances,

“We will pull ourselves up

Crawl, Stand, and finally walk again,

To continue to give amazing color to the world in which we live.”

I THANK YOU.