

Provincial Department of Public Works Budget Vote 09 for the Financial Year 2013/14

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 25 April 2013.

Honourable Speaker

Madam Deputy Speaker

Honourable Premier

Colleagues in the Executive

Honourable Members of the House

Chairperson of the Portfolio Committee, Honourable Nemadzivhanani

Executive Mayors, Mayors, Speakers, Chief Whips, Councilors

Representatives of South African Local Government Association (SALGA)

Director- General, mme Rachel Molepo-Modipa

Section 100 (1) (b) Administrator of Public Works, Mr. Mbuyi Dondashe

Head of Department of Public Works, Mr. Madidimalo Chaamano

Heads of our Client Departments and Section 100 (1) (b) Administrators

CEOs and Managers of State owned entities

Leadership of the ANC and of the alliance partners

Veterans of our Liberation Movement

Leaders of Opposition Parties

Our special guests

Members of the media

Comrades and Friends

Ladies and gentlemen

Avuxeni, Aa..., Good Day, Goeie Dag, Thobela, Lotšhani!

It is a great honour and a privilege for me to stand before this august house today, to present the budget speech, for the Limpopo Department of Public Works.

Honourable Speaker, during the January 8 statement our President, His Excellency, President Jacob Zuma announced that “***The infrastructure development plan has introduced the national and central coordination for the building of dams, roads, bridges, power stations, schools, hospitals, two new universities and other infrastructure that will change the landscape of our country and the lives of our people.***”

We call on government to hasten the implementation of all 18 strategic infrastructure projects; especially those directed at the 23 poorest districts in the country”.

Honourable Speaker,

Following this commitment by the President, Government has responded by putting aside infrastructure budget totaling R827 billion over the next three years. This bears testimony to our continuous dedication to honour the revolutionary commitments and the popular mandate we received in 2009, especially that of improving basic service delivery and the creation of jobs.

This commitment is further escalated by the National Development Plan, which places infrastructure delivery as the bridge that MUST help the country to navigate the journey from poverty to prosperity. Thus, we find it relevant to re-affirm our commitment to the Limpopo Employment Growth and Development Plan in rolling out a mass scale physical, social and economic infrastructure. We will continue to contribute in the plan’s objectives of providing health and education facilities for human development to make a meaningful contribution to the economy of the province.

From the Limpopo Provincial Chapter of the African National Congress led government, the share of the Department of Public Works is to provide the infrastructure development, maintenance and provision of decent accommodation for our client departments. This mandate is further augmented by the Government Immovable Asset Management Act of 2007 (GIAMA).

Honorable Speaker,

We are in the 4th year of implementing our 5-year departmental strategic plan since the electoral mandate of 2009. Thus we find it befitting to reflect on what has been

achieved in the last four years and what we intend to recover in the remaining year of the current medium term.

The 2009-2014 Medium Term Strategic Framework outlines the five priorities of government; these priorities are education, health, fight against crime, creation of decent work as well as rural development and land reform.

Honourable Speaker,

The mandate of the Department of Public Works remains central to achieving all the set out priorities. Infrastructure development is the backbone of job creation and the base upon which all government programmes are premised. It is our core business to build schools to enhance the provision of quality education, and to construct functional hospitals, accessible clinics and health centres to support the provision of quality healthcare. Furthermore Honourable Speaker, infrastructure development transforms the society into better communities and creates a conducive environment for economic development.

We are two days away from celebrating our Freedom Day, confirming 19 years since the dawn of democracy in our beautiful country, South Africa. This is sealed by the peace, unity, the preservation and restoration of human dignity as we celebrate Freedom Day on the 27th of April each year. As South Africans while embracing our freedom, we should continue to protect human dignity and peace in our country by diligently serving our people.

The National Development Plan 2030, which offers a long-term perspective, defines a desired destination and identifies the role that different sectors of society need to play in reaching our societal goal, of a better life for all. In the next 17 years of implementing the National Development Plan starting this year, the Department of Public Works will pursue to achieve all the infrastructural goals as mandated by the plan.

Honourable Speaker,

I present this speech to this august house, on behalf of the honorable Minister for National Department of Public Works, Mr. Thembelani Thulas Nxesi, who is the Executive Authority in terms of Section 100 (1) (b) of the Constitution of The Republic of South Africa, under which the Limpopo Provincial Department of Public Works is operating.

2009/2013 PERFORMANCE REPORT

The Department of Public Works is directly responsible for the development and implementation of a massive programme to build economic and social infrastructure, speeding up growth and transforming the economy to create decent work and sustainable livelihood.

We are pleased to stand before this house and mention that our Department has in the past 4 financial years worked tirelessly in developing infrastructure to ensure that South Africans are indeed educated in a conducive environment for learning and are accommodated in functional health facilities.

During the 2009-2013 financial years the department of Public Works delivered 318 infrastructure projects, on behalf of client departments. 237 schools were completed for the Department of Education, 31 Hospital and were upgraded for the Department of Health; 23 Libraries were completed and handed over to the Department for Sport Arts and Culture, 6 market stalls for Limpopo Economic Development, Environment and Tourism (LEDET) Department.

Furthermore, we delivered 14 one-stop-centres for the Department for Social Development, 5 traffic stations for Roads and Transport and also completed 2 electrification projects on behalf of the Department of Agriculture.

As much as we acknowledge, Honourable Speaker that much still needs to be done in contractor development, we want to thank those contractors who have been successful in executing their tasks, and continue to help us reach our goal of infrastructure delivery. We could not have reached this milestone if it was not for these dedicated contractors and professional engineers, especially those who delivered on time and within budget.

We also thank the support of Construction Industry Development Board (CIDB) and the Professional Associations in various built environment for giving support to the contractors and empowering engineers to deliver quality infrastructure. We would also like to extend our word of appreciation to our client departments for entrusting us with the responsibility to provide infrastructure to drive service delivery. We will continue to commit ourselves in improving our relations with our stakeholders and also contribute in the performance of our client departments.

Honourable Speaker,

We are further pleased to report back on the 288 projects completed within the Public Works funded portfolio, of which most were renovation and refurbishment of government buildings, in line with the maintenance of government properties

mandate bestowed upon us by Government Immovable Asset Management Act of 2007 (GIAMA).

In 2011, the department embarked on an ambitious task to test its capacity to deliver projects using its internal expertise. Although we still need more technically skilled personnel, I am pleased to say that the men and women of Public Works, were equal to the task when they built both Ha-Mulima and Rapotokwane Traditional Council Offices in Makhado and Bela-Bela Municipalities, respectively.

The utilization of our in-house building teams brought the province financial savings, while creating 136 direct work opportunities.

Honourable Speaker,

The Expanded Public Works Programme (EPWP) is one of the provincial highlights. During the period 2009/10 to 2012/13, 344 771 Work Opportunities were created and that means 344 771 individuals benefitted from this programme by acquiring skills. Most of these work opportunities were in the infrastructure sector with 167 913 jobs created, followed by the social sector with 61 178 jobs created.

2012/13 PERFORMANCE REPORT AND 2013/14 PRIORITIES

Having looked at the 4-year period we have travelled, allow me Honourable Speaker, to focus on the performance of the Department for the year under review.

In December 2011, the Department of Public Works was put under administration in terms Section 100 (1) (b) of the Constitution of the Republic of South Africa. As part of this intervention we have since completed the diagnostic analysis of the department and developed the recovery and turn-around plan. The diagnosis has confirmed that while we have made much progress in Expanded Public Works Programme (EPWP) and other administrative programmes, much still needs to be done to improve the core business of the department, in particular Construction Management and Property Management.

In 2012/13 financial year we committed to complete the three hospitals which are under the revitalization programme, namely Letaba, Maphutha-Malatjie and Thabamopo hospitals. We also committed to construct 6 libraries and built two 2 market stalls.

As a department hard at work we are proud to announce that we have also delivered 6 libraries which are Musina and Saseleman in Vhembe District; Mulati in Mopani District; Shongwane in Waterberg district; Vlakfontein in Sekhukhune District and

Molepo Library in Capricorn District. We have since completed Maphutha-Malatji Hospital under the hospital revitalization programme. Letaba Hospital is at 99-percent and Thabamopo is at 90-percent completion.

Honourable Speaker,

In the last stretch of our 2009 to 2014 mandate term, this department is geared up to deliver more projects, contributing to the infrastructural development of this province thereby enhancing economic growth. This is a true indication that this government is committed to ensuring that the poor benefit from massive infrastructure roll out and get into the mainstream economy.

In the financial year 2013/14 our department will focus on massive infrastructure delivery, joining the rest of the country in creating sustainable jobs for our people and contributing to poverty reduction.

Honourable Speaker;

We also commit to deliver a total of 72 projects in the five districts through our construction management programme. Among the 72 projects to be delivered, 47 of them are on behalf of the Department of Education, 10 for Sport, Arts and Culture, 6 for Agriculture, 2 for Economic Development, 1 for the Office of the Premier, and the remaining 6 are Public Works funded projects. These projects are currently on planning and procurement stages.

Honourable Speaker

The department has delivered 6 libraries which were committed in the 2012/13 financial year and we further commit to build 3 new libraries, upgrade 8 libraries, and renovate 10 libraries in this financial year on behalf of the Department of Sport Arts and Culture.

Honourable Speaker,

In his State of The Province Address Honourable Premier Charlie Cassel Mathale re-emphasized the importance of traditional leaders in our communities, when he said ***“Traditional leaders represent our heritage and cultures as Africans and we must accord them all necessary support in their work.”***

In the 2012/13 financial year we committed to construct three Traditional Council Offices, in Mopani, Capricorn and Sekhukhune Districts. I am humbled to report to this august house that we have since managed to launch these projects and Public Works in-house building teams are currently hard at work.

We want to thank Kgoši Moloto of the Moletši Traditional Council in Capricorn District, Kgošigadi Malepe of the Roka-Malepe Traditional Council in Sekhukhune District and Kgoši Sekororo of the Sekororo Traditional Council in Mopani District for the understanding they showed us when we were faced with difficulties during our planning phase. A word of appreciation also goes to the Traditional Councils and members of their communities for their support in ensuring that these projects get off the ground.

Honourable Speaker,

The Minister of Public Works, Honourable Mr. Nxesi had declared 2013/14 as the year of service delivery in the Department of Public Works. We are committed as the Limpopo Department of Public Works to rise to the occasion and be counted amongst the best in the Public Works family.

In May 2012 the EXCO adopted the Limpopo Infrastructure Delivery Management System (IDMS) to provide an orderly, uniform and systemic way of acquiring, operating, maintaining and disposal of infrastructure. The planning and implementation of the Government Immovable Asset Management Act (GIAMA) remains our core business as we strive to ensure effective, efficient planning and management of immovable assets within the province as well as improved service delivery.

In the 2012/13 financial year, we committed to use the state immovable asset footprint towards realizing government's key national priorities at provincial level. We also committed to look into the lease portfolio as it is costing the province a lot of money. These are two key projects of our departmental recovery and turn-around plan. A service provider has been appointed and the Department is on track to meet the National Department goal of a complete asset register by 31 March 2014.

Honourable Speaker,

The issue of Immovable Asset Management has been our weak point for a long time and the Auditor General has on several occasions expressed a qualified opinion in this regard. This we are not proud of especially when we are expected to achieve the 2014 clean Audit.

In light of this, we choose not to be despondent, but to rise up, as we cannot afford to continue to disappoint expectations of our stakeholders. We have made considerable strides in the transfer of the R2-9-3 towns. Three towns have been donated to municipalities, Farm Alldays, to Blouberg, Farm Erasmus to Musina and

Ben Farm to Phalaborwa. We are in the process of transferring Grootvalley and Voorspoort to Mookgopong and Thabazimbi, respectively.

The budget allocated for Construction Management and Property and Facilities Management, for the 2013/2014 financial year is **R602 Million**.

Honourable Speaker,

Under the Expanded Public Works Programme (EPWP), the department had a target to coordinate the creation of 102 763 work opportunities in the 2012/13 financial year. Of this target the Department, through coordination achieved 91% by creating 93 377 work opportunities as at the end of the 4th quarter.

Honourable Speaker

It is indeed a pleasure to announce that EPWP has again put Limpopo Province on the national map by scooping 4 Awards in the 2012/13 National Kamoso Awards. Limpopo is now rated number one in these two programmes, the Social Sector and the National School Nutrition programme.

Furthermore, these two projects in our province are also rated number one in the country, Rahlagane Table Grape as the best Co-operative Project, and Leolo Land Care as the reigning best Environmental Project. With your permission Honourable Speaker, allow me to request our winners to take a bow. We say thank you to the men and women of Limpopo who continue to represent us well in the Kamoso Awards, year after year. We are further made proud by the commitment shown by our people in supporting implementation of the EPWP projects in this province.

Their efforts encourage government to continue with its drive to create decent work, thereby alleviating poverty and contributing to the achievement of the Millennium Development Goal of eradicating extreme poverty and hunger by 2015. This matter of creating decent jobs for our people is critical. President Jacob Zuma during the State of the Nation Address on 14 February 2013 re-emphasized the creation of decent work and sustainable livelihoods as one of the priorities of government. The President further set the national target for job creation at 11-million by 2030.

As the Department of Public Works Limpopo, we re-affirm our commitment during the 2013/14 financial year to be hard at work so as to contribute significantly to the achievement of the national target of 11 million jobs by 2030. We plan to contribute

to achieving this target by creating job opportunities through the Expanded Public Works Programme.

A total of 132 297 Work opportunities of which 54,628 are Full Time Equivalent, are planned for, in provincial Departments and Municipalities, under the EPWP.

The budget allocated to the Expanded Public Works Programme for the 2013/2014 financial year is **R31 Million**.

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 forging ahead because there are dedicated men and women playing behind the scenes.

Our department is also rich with artisans skilled in different trades such as plumbing, bricklaying and carpentry. The department is still committed to revamp all districts' carpentry workshops, which among others will help in repairing damaged school desks. This effort will enable us to compliment the department of education in providing schools with furniture.

In support of the opportunities created through EPWP, the department intends to use direct employment and learnerships to contribute to the EPWP target and 590 learners are already enrolled for artisan development program. This has been made possible by Construction Education and Training Authority (CETA), who have donated a discretion grant of **R30 Million** to our department towards our artisan development program. 460 of the 590 learners have already been trained in learnership level 2 and 3 by the department in partnership with Construction Education and Training Authority (CETA) at the Tshisimani Training Centre. The artisan development programme is implemented in partnership with the Capricorn FET College, and will mainly focus on masonry, carpentry, construction electrical and plumbing.

The Department has set aside **R242 Million** for the support services.

The overall budget for the 2013/14 financial for the Department of Public Works Limpopo is **R877 Million** and we intend to spend it in line with the Public Finance Management Act (PFMA).

Honourable Speaker,

Looking at compliance matters, we were able to achieve 99.97-percent in paying of invoices within 30-days. We resolved 66- percent of cases of fraud and corruption that were reported; 92-percent of those cases were from the presidential hotline and 85-percent were from the Premiers hotline.

In this financial year we recommit to focus more on beefing up financial systems especially around asset management, 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

CONCLUSION

Still on a celebratory note, I am pleased to share with the house that, during the 2012/13 Premier's Excellence Awards held last month, the Department of Public Works won the following awards:

“ Platinum award including R50 000.00 prize money, awarded to the Giyani Cost Centre, for the category best Support team of the year.

“ The Gold prize was awarded to Hlanganani Cost Centre for the Category Best Service Delivery team.

The people of Limpopo deserve better, and we are a department ready to deliver even better in this new financial year. “Re A Šoma”

Honourable Speaker,

Lastly I would like to thank the entire staff and personnel of the department for the sterling work they do. We continue to work closely with the intervention team and commend them for the sterling work they are doing. We must also extend a word of

appreciation to our Portfolio Committee, led by Honourable Nemadzivhanani, for the continued support and guidance they give us.

I thank you

2013/14 BUDGET ALLOCATIONS SUMMARY

Programme	2009/10	2010/11	2011/12	2011/12		2012/13	2013/14	2014/15	2015/16
	'000	'000	'000	'000		'000	'000	'000	'000
	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Administration	289,019	276,447	241,000	248,870	225,284	230,192	242,539	254,346	268,916
Public Works	389,547	476,491	522,666	571,566	571,639	579,958	602,573	625,531	667,552
Expanded Public Works Programme (EPWP)	21,000	21,326	25,761	38,852	29,072	33,852	31,949	32,916	31,973
Total	669,566	774,264	789,427	859,288	825,995	844,002	877,061	912,793	968,441