

THE MINISTER OF PUBLIC WORKS, Ms THOKO DIDIZA, MP, DELIVERS HER  
BUDGET VOTE SPEECH TO THE NATIONAL COUNCIL OF PROVINCES

DATE: 31 MAY 2007

VENUE: NATIONAL COUNCIL OF PROVINCES, PARLIAMENT, CAPE TOWN,  
WESTERN CAPE

- Honourable Chairperson
- Honourable Members
- Provincial MEC's responsible for Public Works
- Chairpersons and CEOs of our Public Entities
- Senior Officials
- Our Stakeholders present
- Ladies and Gentlemen

The effort of national transformation continues to occupy the central focus of the Department of Public Works. As the infrastructure delivery arm of government, we are moving ahead to construct the new face of South Africa's infrastructure and property industries, using in the first instance, the portfolio in the hands of government.

We are also conscious of our responsibility in the regulation of both the construction and property industry as articulated in our policy statement of 1997. Chairperson, we are equally conscious that we exercise the management of the construction and property environment under a concurrent framework regime, as provided for by our Constitution. While on the one hand there are exclusive functions, or responsibilities given to each sphere of government, it is also true that in exercising those concurrent functions, inter-governmental relations become important.

The current legislation that supports inter-governmental relations is only new, but it is for us to strengthen it in practice. This also requires political management of the sector as a whole. In addition it requires funding. This realization therefore calls for a clear coordination mechanism of both policy and implementation amongst different spheres of government.

I am happy to report, Chairperson and members, that last year, 2006, as Minister, Deputy Minister and MECs responsible for Public Works, we were able to formally constitute our intergovernmental structure on Public Works. This institutional mechanism allows for a forum of Heads of Departments led by the Director General for processing and implementation of the issues that have been decided at political level.

Chairperson, I am happy to share with this house that our public entities are now full participants in the work of the DPW family. They are in a sense a resource and an extension of the pool that will enable us to achieve our objectives.

Honourable members following our constitution of the intergovernmental structure, the South African Local Government Association (SALGA) has become another active participant in our forum. SALGA's participation has given us better insight on the challenges that municipalities face in the implementation of the Expanded Public Works Programme (EPWP), but at the same time it has offered opportunity for engagement in speeding up the roll-out of the programme at this sphere of government.

Chairperson, during this budget debate I wish to invite honourable members to consider the department's strategic plan. Our strategic plan is a reflection of the challenges that our country faces today. Our quest for social transformation is based on the understanding that poverty, unemployment and underdevelopment remain our central challenge.

In responding to this challenge, therefore, we continue to seek ways in which we can make our contribution, utilizing the resources at our disposal and within our mandate. Some of these resources are the state assets that we are a custodian of. It is for this reason we have launched the National Youth Service on Building Maintenance on 14 April 2007. This year, 2007, together with provinces we will enroll 10 000 young people who will become the first cohort of our NYS.

These young people will first and foremost have an opportunity to receive training in relevant fields in the sphere of the built environment. The two categories of enrolment will be those who are unemployed graduates and those who have passed grade 10 or 12 and have an interest in the building industry. What this means, therefore, is that we will be contributing towards the skills challenge that our country has identified through the ASGISA initiative.

We will also be creating an opportunity where these young people can be proud to serve their country. We will be preparing these young people for employment. Finally, we will be building the capacity of the construction industry, a sector that is pivotal in delivering the infrastructure needed for economic growth.

Chairperson, I indicated earlier that the unemployment challenge remains central amongst those we have to address. As at 2007, this government is fulfilling its commitment to the Growth and Development Summit that identified expanded public works as an intervention for job creation. You will also appreciate that we set ourselves a target of creating one million job opportunities by 2009. This year, in 2007, we are at the mid-term of office as government. It therefore becomes necessary to assess how far we have gone both in terms of quantity and quality.

I am pleased to report that as of December 2006, the EPWP has delivered 573 269 net job opportunities, ahead of the target for the same period, and exceeding its targets for women and youth.

The impact of this programme in its various facets can be articulated as follows:

(1) Working with the CIDB, Construction SETA, labour, IDT and ABSA, 720 small contractors have qualified through the accredited Vukuphile learnerships to exit at Grade, 3, 4 or 5. In this context the EPWP will scale up to achieve 1500 learnerships over the next 2 years and the Independent Development Trust will intensify its focus on women in construction, promoting their employment, skills and development as contractors. Provincial initiatives such as Sakhabakhi in Mpumalanga and Sakhasonke in Limpopo are all tributaries of the EPWP Vukuphile small contractor development and learnership programme, underpinning the commitment to cooperative governance and the attainment of common national goals.

(2) The Independent Development Trust (IDT) has been particularly successful in supporting Provincial Public Works, Education and Health departments in addressing the backlogs in social infrastructure delivery. The IDT has developed and refined a service delivery model which is rooted in labour intensive methodologies, and EPWP principles.

(3) A Committee made up of the National Departments of Public Works and Transport and their provincial counterparts, the Presidency, and the National Treasury will coordinate the implementation of the additional R3 billion allocated under the Provincial Infrastructure Grant for the construction and maintenance of provincial infrastructure including rural access roads, contributing to the further expansion of the EPWP. However, we remain concerned with what appears to be a disregard for EPWP principles in the provision of some infrastructure projects in certain provinces.

(4) One of the new areas identified for the scaling up of the EPWP is the waste management programme which we will be piloting among 130 targeted municipalities. A technical support programme will also be rolled out in

conjunction with the private sector to assist municipalities to implement the EPWP initiatives in the infrastructure sector with the aim to address the concern about municipalities who continue to post low job-creation data. Honourable Members, Provincial Departments innovations have always shown themselves in different ways. On waste management KwaZulu Natal Department of Transport, a custodian of EPWP coordination in the province has initiated the garbage for food exchange programme in Hibiscus Municipality in the South Coast. Two Hundred households are currently involved in collecting waste and exchange it for food. This joint initiative of the Province, Municipality and our Public Works Department will not only improve the environment or create jobs, it will also improve the food security status of the families involved.

(5) On 15 February 2007 we held the maiden EPWP Excellence Awards as an annual event in recognition of the men, women, and youth around the country involved in the EPWP. Most provinces gave a good account of themselves through the quality of their nominations. Once again, we congratulate all the winners and thank all participants.

Honourable members,

Through the Construction Industry Development Board (CIDB) we have established the national Register of Contractors to regulate the construction sector for improved equity and quality, and to create a firm foundation for development and transformation of the industry. The latest data indicates that over 30 000 contractors are now registered nationally, with Gauteng Province leading the pack. The Register also records 15 international entries, a clear signal of global interest in the current construction boom in our country.

It is worth noting that over 1500 contractors improved their grading status across the country – and 85% of these are black-owned small and medium sized enterprises. Contractor registration now enables targeted development interventions to address equity and capacity gaps and to raise the quality of work

delivered. This year's budget therefore provides for the establishment of a National Contractor Development Programme (NCDP) that will be led in partnership between National and Provincial Public Works Departments together with the CIDB. Our focus is on sustainable enterprises. Sustainable enterprises perform better. They are better employers and contribute to skills development.

Implementation of the Act will also get a welcome boost from the newly approved National Infrastructure Maintenance Strategy (NIMS) which will address concerns particularly with regard to the delivery of essential municipal services and infrastructure. Amongst other things, NIMS will strengthen the national regulatory framework governing planning and budgeting for the maintenance of infrastructure and will also provide non-financial assistance to those institutions which require it.

To reverse the legacy of apartheid spatial planning which denied the majority of the people of the right to access and own property, we will begin this year to leverage state's assets to transform the property sector in favour of blacks, women and emerging entrepreneurs.

Every year government through the national Department of Public Works and provinces invests billions of rands of its budget to lease property from the industry in which only less than 10% of players are from the historically disadvantaged groups. Our regional offices in Durban and Nelspruit have even recorded zero percentage for BEE in leasing, implying that despite these massive investments, our people continue to be excluded. This is totally unacceptable. Some of the interventions we intend using in fostering Black Economic Empowerment in the property industry include, among others:

- Leases
- Disposals
- Facilities Management and Maintenance
- Property Brokering

- Tenant Installations
- Management of the payment of the Municipal accounts through the National Youth Service Programme

One of the areas we intend improving on is the Asset Register and this is an ongoing process within the Department. The reason we are highlighting this is that Parliament has consistently asked the Department to work on an Asset Register that also caters for Provincial and Municipal properties. However, the three spheres of Government are administered by different sets of rules that need to be considered in the development of a well-thought out model. We are committed to working with Provinces and Municipalities to finalize the model for implementation later this year.

Honourable Chairperson and members

I wish to thank the MEC's in the provinces for their commitment and contribution over the past year.

I take this opportunity to thank the National Council of Provinces for the confidence they have shown in my Department. Since 2005 we have participated enthusiastically and without fail in your campaign to take Parliament to the people, pitching our exhibition tents at a moment's notice, starting at Empangeni (KwaZulu-Natal), coming to Kwa Mhlanga (Mpumalanga), Tzaneen (Limpopo), Tumahole, Parys (Free State) and recently Sebokeng (Gauteng). Our effort and passion is driven by our unwavering commitment to interactive and cooperative governance in consolidation of our democracy and our progress as a developmental state. Indeed the 2007 budget is a reflection of this commitment.

I THANK YOU.