



**Ms MR Semanya
MEC FOR PUBLIC WORKS**

**Budget Speech by Ms MR Semanya
MEC for Public Works
at the Limpopo Legislature
VOTE 9
29 May 2007**



- Honourable Speaker
- Honourable Premier
- Members of the Executive Council
- Honourable leaders of Political Parties
- Honourable Members of the Legislature
- The Director General and Heads of Department
- Representatives of the Construction and Property Industries
- Distinguished Guests, friends and comrades
- Ladies and Gentlemen



We have progressed 13 years into our democratic dispensation, years that have now become part of our distinguished legacy. To us and our people this 13 years was characterized by visible and tangible service delivery meant to give our democracy a meaningful expression. Jointly with our people as we celebrated the 13th anniversary of our freedom, we became more aware of the crucial mandate bestowed on us as an infrastructure delivery vehicle for government.

That is our apparent urgency to ensure that our children do not continue learning under trees, that our communities access health and other government services at their localities in facilities that are habitable, that government is better placed to stimulate local economic activity through investment in skills and social infrastructure and in provision of these services we create a sustainable income base for our people through learning trade skills and job creation opportunities.

These ensuing years of democratic rule have brought hope, freedom, and dignity to our people. More than any period in our history, we are more assured of the dream of South Africa that is a democratic, non-racial, non-sexist and prosperous. As we present this budget speech before this August house today, Honourable Speaker, we want to reaffirm our commitment in continuing to improve the lives of our people.

This commitment was espoused by the National Minister of Public works, honourable Thoko Didiza in delivering her budget speech for this financial year and I quote "This year's public works budget represents a principal resource in the creation of the infrastructure necessary for South Africa's accelerated and shared growth. Not only is the department responsible for the delivery and maintenance of state infrastructure, it is also required to lead, regulate, develop and transform the infrastructure sector, which is central to the goal of accelerated and shared growth, to grow the economy and to halve poverty and unemployment by 2014."

It is this unwavering conviction that makes us more resolute in improving how we work as a department. This involves ensuring that the turn around time for planning and execution of services we deliver is improved and that resources we allocate for service delivery are used to empower our people.

We are therefore pleased to look back at the past financial year and reflect with appreciation that as public works we have been part of a journey to improve the lives of our people. From the allocated budget of R 603,883,000 we managed to spend R 601,885,000 which constitute 99.7%. This achievement is also matched with improved physical progress in maintaining and building the infrastructure target we have set to deliver.

In most of these projects we are left with putting finishing touches and meeting multi year targets. In the same breath we also intensified the process of empowering the previously economically marginalized communities. Hence out of a total of 687 contracts awarded by the department, 617 were to historically disadvantaged individuals, 576 to women, 495 to youth and 7 contracts to people with disability.

Honourable Speaker, through our infrastructure development programme we have managed the construction of 110 schools where learners were learning under trees and 239 storm-damaged schools. Final touches are being made in some of these projects. We have managed the revitalization project of 6 hospitals, the upgrading of 33 clinics, the construction of 11 mortuaries and 5 hospital staff accommodation. Work is ongoing on the electrification of 36 clinics and the construction of 5 Emergency Medical Services, Whittoc and 15 Social Development One Stop Centres. We worked with the Department of Sports, Arts and Culture in the construction of the Provincial Archives and the construction is progressing well.

We have worked with the Office of the Premier with the construction of 3 offices for Traditional Authorities and have constructed 2 market stalls for the Department of Economic

Development, Environment and Tourism. In terms of this financial year outlook on servicing our client departments as an infrastructure implementing agent, we have responded to the call by the Premier to finalise the planning and procurement of services towards the end of the last financial year in order to allow implementation to start on the first month of this financial year. This we have done through collaborating with technical assistants appointed under the National Treasury Infrastructure Development Improvement Programme.

This programme assisted us to analyze bottlenecks and adopt solutions that would fast-track delivery. As a result, we have already facilitated the awarding of education infrastructure projects and implementation is underway. We have also developed proper cash flow projections for the department of Health and Social Development projects to ensure that by the end of the financial year our targets in terms of physical progress are met and the funds are spent accordingly.

Honourable Speaker, it is apparent that the above mentioned is totally different from what was obtained in previous years. We all know that the past years have been marked by serious budget under-expenditure on infrastructure. We want to assure the house that we will continue to correct this anomaly and ensure that our people receive the services that they yearn for within planned time frames.

Honourable Speaker, we are submitting the 2007/2008 budget vote for the department of Public Works in our Province that amounts to R 601 598 000. The projected revenue for 2007/2008 financial year is R23, 693, 000, which represents 12% increase over the 2006/07 estimates. The marginal increase is attributed to the adjustment of tariffs.

Administration

This programme consists of strategic support services that propel the department to function

in an efficient, effective and economic manner. These functions range from human resources, finance, corporate services, and information management services to strategic management. In this financial year we will focus more on improving the implementation of the performance management system, recruitment of more staff especially in project management; and the maintenance of an appropriate procurement system which is fair, equitable, transparent, competitive and cost effective. We will also ensure that the implementation of Batho Pele principles continue to be the bedrock of all our service delivery processes. For this responsibility we have budgeted R212 million in this financial year.

Implementation of Infrastructure Projects

As we deal with infrastructure, we have been collaborating with technical assistants appointed under the National Treasury programme called Infrastructure Development Improvement Programme (IDIP) to analyse bottlenecks and adopt solutions that would fast-track infrastructure delivery. We have embarked on procurement improvements to reduce the time to award contracts from six months to sixty days or less to unlock public sector delivery. Through these efforts the Provincial Government has taken a decision on the planning framework for infrastructure development. Therefore we can gladly report that Public Works has already facilitated the awarding of the current Education infrastructure projects. Our strategic interventions further include the introduction of the Register of Contractors and Register of projects at provincial level and to attend to challenges in the registration with Construction Industry Development Board (CIDB). We have partnered with CIDB to establish construction contact centres in the Province. We are also going to revitalise building and facilities management Information system (BAFMIS) to improve the management of departmental assets and the monitoring of the implementation of infrastructure and maintenance projects. We have allocated an amount of R 23, 7 Million for this programme.



Building and Maintenance Programme

Public Works has a total asset portfolio of about 9 000 properties around the province. This portfolio grows steadily every year. In terms of the provincial policy on maintenance, every user department has a responsibility to maintain the assets they use. Public Works is responsible to maintain its properties and those properties jointly utilised by several departments. We will align our maintenance policy framework in line with GIAMA and the National Infrastructure Maintenance Strategy in order to realise the vision of adequately maintained and operated Infrastructure in support of sustained service delivery, growth and employment in support of ASGISA. In its own portfolio, the Department regularly maintains the three government complexes in Lebowakgomo, Giyani and Thohoyandou as well as the Parliamentary Village, Premier's Residence, the Guest House, a number of government offices, residential houses and flats.

An amount of R14, 972,000.00 has also been set aside for civil works, security systems, furniture and interior décor to complete the 11 MEC's houses. We have therefore budgeted R304 million for building and facilities management.

Honourable Speaker, last year we indicated that we will begin the process of relocating the Provincial Legislature from Lebowakgomo to Polokwane. We can now report that consultants have completed the redesign of the Legislature after thorough consultation with the affected stakeholders including the Legislature. The funding option for the construction of the Legislature has been submitted to the Provincial Treasury Committee for consideration on the viable option. This will determine the commencement of the construction of the legislature.

Real Estate

Honourable Speaker, I have mentioned earlier that the Provincial Government has a property portfolio of 9 000 properties. However, every year we keep on discovering new properties that belong to the provincial government as these assets were not correctly captured or were missed during the transition period. We have embarked on a process to update our Asset Register so that we can know where these properties are, who is using them and what their values are. We want to thank the people who informed us about assets that we did not know about and we are extending a call to every citizen to continue to help us identify government land and buildings. This financial year we intend to vest 30 properties in the name of the Province, transfer 66, R293 towns to municipalities and dispose 80 redundant properties.

Portions of land that are economically viable will be strategically leased out to promote economic development and Black Economic Empowerment. Under-utilised buildings will be identified and made available for use to support programmes such as the Early Childhood Development Programme. In the previous financial year, the Department conducted an audit of office space used by provincial departments. This was intended to serve as a basis for providing integrated office accommodation to departments. In terms of this space audit, the Provincial Government will require a total of 58 000 square metres of office space by the year 2011. Using the results of this audit the Department has already commenced with the construction of office accommodation for the Departments of Sports, Arts and Culture, Roads and Transport; Public Works as well as Local Government and Housing, which will be completed within 18 months. This financial year we will conduct the audit in the districts to help provincial departments accommodate their district personnel in appropriate offices. We will also pay particular attention to the efficient management of the Prestige portfolio which is made up of the Parliamentary Village, the Premier's Residence and the Premier's Guest House. Honourable Speaker, we have been battling for some time to recover arrear rentals from tenants who occupy our properties. The total arrear rentals owed had rocketed to R8m in

the last financial year. This was slightly reduced to R6 million at the beginning of this financial year. The Department will adopt appropriate debt collection strategies to ensure that defaulting tenants honour their obligations. We have budgeted an amount of R39, 1 million for this programme.

Expanded Public Works Programme (EPWP)

Honourable Speaker, key to the quest of reducing poverty and providing opportunities for sustainable livelihoods to our people is a deliberate effort in providing targeted skills, creation of job opportunities and providing the basis for self employment and entrepreneurship to our people. At the centre of this mammoth task is the EPWP, through which we are able to harness, our resources across government departments and agencies to afford our people a share in building a brighter future.

To this end we are able to report that we have created 13 142 work opportunities, broken down as follows: the infrastructure sector has created 2 889 jobs, the social sector 2654 jobs, the economic sector 2 112 jobs and the environment sector 5 486 jobs. We also employed 4 038 learnerships in different sectors. Through the Sakhasonke emerging contractor development programme, 60 learners have during graduated in April this year.

Honourable Speaker, in this financial year, we intend to absorb a further 40 contractors into the programme. Our ultimate aim is to ensure that all our contractors, most of who are in grade 1 of the CIDB Contractor Register, go through contractor development programme so that they are well trained to implement infrastructure projects. This is the effort we will make to move our people from the abject poverty line of being "tenderers" to prospective business people.

Furthermore, in response to the call by the Premier made during the launch of the provincial

National Youth Service, that "The youth cannot be passive recipients of social services nor can we allow our youth to be by-standers in the process of developing our country." The department of Public works is currently recruiting 500 young people that will be involved in the maintenance of government buildings in the form of plumbing, painting, carpentry, electrical work and other general maintenance. Five percent of these young people will be absorbed in the department as a form of creating permanent and sustainable job opportunities.

As a Province we have developed a Five Year EPWP Business Plan which will serve as a guiding instrument for the effective implementation of the EPWP. In terms of this Business Plan, the Province envisages to spend a total of R13.8 billion over the next five years creating a total of 393 000 temporary jobs and imparting skills to 61 000 individuals. In the 2007/2008 financial year, the Province envisages to create a total of 57 000 temporary jobs and imparting skills to 9 654 individuals.

The successful implementation of the Business Plan will depend on the commitment of all implementing institutions. Municipalities will have to play a major role in ensuring that they commit 50% of their MIG budget to EPWP in the current financial year. We will continue to interact with the Department of Local Government and Housing to ensure that municipalities comply. Sector departments will have to take responsibility to ensure that the targets they have set in the Business Plan are met. The Limpopo Executive Council has taken a decision that all government institutions that implement infrastructure projects should dedicate at least 30% of their infrastructure budgets towards meeting EPWP goals. We will continue to give strategic support to those institutions that take EPWP as part of their work. In this regard, we should congratulate Road Agency Limpopo that continues to put the province at the forefront of EPWP implementation by continuing to win national awards with the Gundo Lashu Road Construction Programme. We hope that they will further take advantage of the additional budget allocation by National Treasury dedicated to improving access road network.

The national Department of Labour has allocated a total of R95.6 million to Limpopo to deal with skills development. R26.1 million of this allocation is for EPWP. Public Works will ensure that this fund is indeed utilised by departments for EPWP related skills development.

This year we will also intensify EPWP implementation in the social sector and we will impress on our sister departments of Education and Health and Social Development to move full steam with the Early Childhood Development Programme and the Home Community Based Care Programme. For the execution of this task, we have budgeted R21.6 million.



Conclusion

Honourable Speaker, the people of Limpopo are proud, passionate and competent. This budget is aimed at giving the people of Limpopo a stake in the promise of a better life. I would like to thank the management of Public Works under the leadership of Mr. Johannes Mutshutshu Rantete for the wonderful work they are doing. With its commitment, sacrifice and dedication, Public Works will surely rise to take its rightful leadership role in the delivery of government services. Let me also extend my appreciation to the support given to the Department by the Portfolio Committee on Public Works. I sincerely believe that, working together as a team, we will reach our goal of rendering quality service to our people.

I thank you

LIMPOPO DEPARTMENT OF PUBLIC WORKS 2007/08 BUDGET STATEMENT

Programme 1	Administration	R211 , 938 , 000
Programme 2	Provincial Infrastructure Development	R368 , 007 , 000
Programme 3	Expanded Public Works Programme	R21 , 653 , 000
Total		R601 , 598 , 000

THE ECONOMIC CLASSIFICATION OF THIS BUDGET IS AS FOLLOWS:

Compensation of employees	R364, 776, 000
Goods and Services	R131, 293, 000
Interest and Rent on Land	R15, 000
Province and Municipalities	R4, 100, 000
Households	R2, 500, 000
Building & Other Fixed Structures	R80, 814, 000
Machinery and Equipments	R18, 100, 000
TOTAL	R601, 598, 000

