



# Budget Speech of the MEC of Roads and Public Works

## Honourable Mxolisa Sokatsha

Honourable Speaker and Deputy Speaker of the Northern Cape Provincial Legislature  
Honourable Premier of this great Province Mme Sylvia Lucas  
Members of the Executive Council  
Members of the Provincial Legislature  
Our esteemed District and Municipal Mayors  
Our Traditional and Religious Leaders  
Veterans of the Liberation Struggle  
The people of the Northern Cape  
Distinguished guests  
Members of the media  
Ladies and Gentlemen  
Fellow South Africans  
Ndiyanibulisa nonke

Molweni, dumelang, goeie môre, good morning.

Honourable Speaker in the words of one of our own celebrated founding fathers of our nation President Oliver Tambo articulates in the following manner the society we must fight for and achieve and I quote:

*“The fight for freedom must go on until it is won; until our country is free, happy and peaceful as part of the community of men, we cannot rest; we have a vision of South Africa in which black and white shall live and work together as equals in conditions of peace and prosperity,”* close quote.

Today we gathered in this august house in pursuit of the vision of this nations’ founding fathers, the vision of peace, democracy and prosperity. Our founding fathers have dedicated and sacrificed their lives to the attainment of freedom and equality.



Honourable Speaker, our country has seen the ugly violence perpetuated against our people and killing of our leaders in years preceding the democratic transition, such as the brutal killing of the late Comrade Chris Hani on the 10<sup>th</sup> of April in 1993 and the Boipatong Massacre.

Honourable members our founding fathers spent the latter part of the years of their lives harmonising relations between the different races and tribes living in our country. They succeeded to get us the people of South Africa to start treating each other in a dignified and humanly manner as contained in the founding document of our democratic nation - the Constitution of the Republic of South Africa.

Commemorating the 20th anniversary of the Constitution every South African should know the provisions in the bill of rights by heart, so that we ensure that we shall never again perpetuate violence against each other, we shall never again deny people of this country their freedom to trade and stay where they like.

We have seen in the not so recent past from certain individuals comments made through social media, trying to still our hard earned freedom of our people by making repulsive racially motivated comments and spewing vile that directly breach the constitution our beloved country.

Yes! There are those who still want to cling to the racial demons of the past, but they will not succeed as we are unwavering and adamant to take the fight forward for the total attainment of our country's vision and the entrenchment of our constitutional democracy championed by the Freedom Charter and espoused in Constitution of the Republic of South Africa.

Honourable Speaker, we have the duty and the responsibility to ensure that we remain resolute in pursuance for the total emancipation of the African child to bring about the prosperity that Oliver Tambo envisioned.



It is this august house responsibility under the stewardship and leadership of the African National Congress (ANC) that we should work to ensure that we use the resources in our disposal to unapologetically impact positively and change for the better the lives of the majority of our people.

Honourable Speaker, in his State of the Nation Address (SONA) President Jacob Zuma indicated that economic transformation and black empowerment remain a key part of all economic programmes of government.

In the State of the Province Address (SOPA) the honourable Premier Mme Sylvia Lucas made reference to the fact that the fault-line underpinning the economic structural challenges has perpetuated unemployment and inequality twenty years after the attainment of freedom and transition to democracy.

Honourable members, as we take our cue from the aforementioned, it is befitting that the ANC-led government directed by the will of the people must reflect on these economic challenges and courageously tackles them head-on through radical economic transformation policies in order to create an environment for meaningful empowerment initiatives that will benefit the majority of our people.

We must highlight, 2015/16 has been a very challenging and difficult fiscal year. Regardless, we managed our budget in a manner that allowed us to deliver on most of the agreed outputs. The department for the second year in a row spent 100% of its budget of R1,4 billion. Severe budget constraints were again experienced due to the pressure of JTG communities for new roads.



Honourable Speaker, allow me to account on the following:

## **ROAD INFRASTRUCTURE**

Infrastructure investment is a key priority of the National Development Plan. The department has intensified its efforts on paved roads for the four years by investing nearly R1 billion on reseal of roads that gave us an output of 886 km. This can be reflected in the overall condition of provincial paved roads that has improved from 58% in 2012, 69% in 2014 to which is only 6% less than the ultimate goal.

A total of 34% of the paved roads are now in a fair condition requiring preventive maintenance whereby their useful lives could be extended to avoid expensive future rehabilitation costs. The overall gravel thickness of the unpaved road network is 14 mm with 48% of these roads having no gravel on them.

Honourable Speaker during the past financial year the department spent 100% of its road maintenance grant on regravelling and resealing. The following projects were successfully completed:

- Upgrading of the Hotazel to Tsineng, Phase 4 (Magojaneng - Gatshekedi), Rusfontein to Laxey Phase 1 and Dithakong, Phase 1.
- Rehabilitation of N14 to Heiso, Postmasburg to N14 (in partnership with Assmang Mine) and the asbestos road in Gasehubane.
- Reseal of Hopetown to Koffiefontein junction, the following Trunk Roads: Van der Kloof Dam, Koffiefontein junction to Phillipstown, Phillipstown to De Aar, Danielskuil to Postmasburg.



## JTG Roads Projects

The successful construction of the much demanded JTG-roads is proof of this department's commitment to communities.

- N14 to Dithakong: The first 10 kilometers was completed in March 2016 and the next 10 kilometers is 60% complete.
- Rusfontein to Laxey the first 10 kilometers was completed in October 2015 and construction is about to commence on the next 10 kilometers.

The executive management continues to meet with the stakeholders on a frequent basis as we are working in collaboration with the community.

## Hotazel to Tsineng Road

- Phase 4 entails construction from Magoyaneng to Gatsekedi and created a total of 50 job opportunities to date at a cost estimate of R 30 million.
- Phase 5 entails construction from Gatsekedi to Maipeng and created a total of 50 job opportunities to date at a cost estimate of R 30 million.

The department has made real improvements delivering high quality projects, better designed and better maintained local roads.

Through this programme we were able to complete:

- The rehabilitation of 40 700 m<sup>2</sup> of surfaced road
- Resealing of 1.8 million m<sup>2</sup> of surfaced road
- Regravelling of 346 kilometers
- Patching of more than 47 863 m<sup>2</sup> potholes
- Blading of 65 185 blade kilometers

## OUTLOOK FOR 2016/17

Honourable Speaker, ladies and gentleman the department will invest a total of R 3,5billion on road infrastructure development for the 2016/17 Mid-Term Expenditure Framework (MTEF) period. The focus of the department has shifted from roads construction to the maintenance of roads in order to preserve the assets that we have.



A total of R1,1 billion is allocated for the 2016/17 financial year for roads infrastructure development which is allocated for upgrading, maintenance and flood damages. This allocation will assist with regards to the linking of communities and the creating of job opportunities and the empowering of small contractors.

Honourable Members, the department has identified the following projects:

Light rehabilitation	R50 million
Contractor Development	R25 million
Reseal and Fog spray	R270 million
Roads furniture (Road signs, guardrails) and Bridge Maintenance	R69 million
Eradication of potholes Routine and Preventative Maintenance	R340 million
JTG Roads Project	R43 million
Infrastructure Systems	R30 million

### **Garies to Hondeklip Bay Road**

The construction of the Garies to Hondeklip Bay Road Phase 2 is 15% complete and the contract amount is R 91 million.

### **New reseal projects**

The department will undertake the following reseal projects Barkley West to Danielskuil, Britstown to Vosburg, Askham to Rietfontein, Loxton to Victoria West, Western Cape Border to Victoria West, Loxton to Carnarvon and Kleinsee.

### **New gravel roads projects**

The following new gravel roads projects are identified:

Postmasburg to Griekwastad, Magersfontein, Penryn to March, Asbestos Roads in John Taole Gaetsewe, Jenheaven, Telleriepan, Noupoot to Wildfontein, Noupoot to Leeupoort, Noupoot to N10, Loubos to Rietfontein.



## **PROPERTY MANAGEMENT**

Honourable Speaker, as the custodian of all immovable assets in this province, our mandate is to manage the provincial immovable assets through its lifecycle. At the end of March 2016 the department had 1,899 land parcels. The asset register is a moving target as the status of property ownership change during the course of the year and simultaneously the process of verification and reconciling of immovable assets is on-going.

### **Conditional Assessments and Valuation of State Property**

This process must be executed once in five years in terms of the Government Immovable Asset Management Act 19, 2007 (GIAMA). The Department is embarking on an intensive technical drive to conduct not only condition assessments on provincial properties, but also the following activities:

- Valuations of all Provincial properties
- Zoning (ensuring all facilities are properly zoned)
- Surveying
- Reproduction of as-built diagrams
- Production of maintenance costs reports.

### **Rates and Taxes**

Annually the payment of rates and taxes for provincial properties continues to be a challenge. The budget for 2016/17 for rates is R 54.3 million although the arrears on Municipal accounts currently reflect R 249 million. Interests are accumulating on unsettled accounts and it reflects negatively as accruals. Discussions are underway at Provincial Treasury, MinMec and the Provincial Cluster Committee in order to try to find a solution.

## **PUBLIC WORKS**

The Department of Roads and Public Works implemented the following projects on behalf of client departments:



## DEPARTMENT OF HEALTH

A total of 27 infrastructure projects were identified during the 2015/16 financial year, including multi-year projects. Of the 27 projects, 2 is complete, 5 is in construction, 2 is in documentation phase and 1 is in planning phase.

### **New Mental Health Facility**

The construction of this 310-bed mental health facility is 90% complete. The estimated cost of the project amounts to an estimated R 599 million and a total of 750 work opportunities were created.

### ***Nuwe De Aar Hospitaal***

*Die konstruksie van die Nuwe De Aar Hospitaal bestaan uit die bou van 'n 158 bed kapasiteit hospitaal: 95 beddens vir die hoof hospitaal en 63 beddens vir die Tuberkulose eenheid. Die konstruksie werk is 100% voltooi. Die konstruksie koste beloop sowat R 489 miljoen en ongeveer 570 werksgeleenthede is geskep.*

## DEPARTMENT OF EDUCATION

A total number of 28 infrastructure projects were identified for the 2015/2016 financial year.

The progress is as follows:

- 16 Ablution Blocks of which 4 are in construction and 12 are completed to the value of R 26 million and 255 work opportunities were created.
- 2 Administration Blocks have been completed to the value of R 3 million and 31 work opportunities were created.
- 2 Classroom Blocks are in construction phase to the value of R 7 million and 25 work opportunities were created.
- 1 School hall is currently in construction to the value of R 4 million and 19 work opportunities were created.
- 4 Early Childhood Development (ECD) Classrooms of which 1 is in tender adjudication phase and 3 are in construction.





## DEPARTMENT OF SPORTS, ARTS AND CULTURE

A total of six projects were identified for the 2015/2016 financial year:

- Northern Cape Theatre is complete to the value of R 24 million and 27 work opportunities were created.
- The Construction of Community Libraries in Askham, Carolusberg, Kamassies, Tsineng and Petrusville is in site handover phase to the value of R 8 million.

## DEPARTMENT OF SOCIAL DEVELOPMENT

Three projects were identified for the 2015/2016 financial year for the Department of Social Development.

- The Construction of the New Substance Abuse In-Patient Treatment Facility Project earthworks is complete to the value of R 5 million and 9 work opportunities were created.
- Construction of New Substance Abuse In-Patient Treatment Facility Phase 2 Project entails the construction of a 40-bed facility including a Detoxification Centre. The project is 3% complete and 20 work opportunities were created.
- Extension to the existing Secure Care Centre Project in De Aar entails the conversion for additional accommodation to the value of R 6 million.

## OUTLOOK FOR 2016/17

### DEPARTMENT OF HEALTH

A total of 12 infrastructure projects were identified for the Department of Health for the 2016/2017 financial year including multi-year hospital.

The following are some of the projects in planning phase:

- Nursing College and Student Accommodation
- Emergency Medical Services (EMS) College and Student Accommodation
- Namakwa Forensic Mortuary
- Galeshewe Day Hospital
- Three Clinics

## **DEPARTMENT OF EDUCATION**

A total of 24 infrastructure projects were identified for the 2016/2017 financial year with all of the following still in planning phase:

- 5 Ablution Blocks
- 8 Classroom Blocks
- 1 Administration Blocks
- 9 Early Childhood Development (ECD) Classrooms
- 1 School Hall

## **DEPARTMENT OF SPORT, ARTS AND CULTURE**

The Department of Sport, Arts and Culture the department will continue with the construction of the 7 libraries as multi-year projects for the 2016/2017 financial year.

## **NORTHERN CAPE FLEET MANAGEMENT AND TRADING ENTITY**

During the 2015/2016 financial year a total of 220 new vehicles were purchased, which was launched by the honourable Premier Sylvia Lucas on Friday, 8 April 2016. The new fleet component replaces the fleet reached its four year lifespan or have reached  $\pm 120\,000$  kilometres.

For the 2015/2016 financial year 222 accidents were reported by the client departments. It must be noted that the accident rate of government vehicles remains high in the province. I would like to invite members of the public to utilise the hotline number and to report any government vehicle seen speeding, disobeying the traffic rules and those misusing vehicles for personal use. The hotline number is 086 1222 627.

Currently the average condition of yellow fleet is poor. The department completed the conditional assessment of the yellow fleet and is developing intervention strategies in order to resolve the matter.



## **EXPANDED PUBLIC WORKS PROGRAMME (EPWP)**

Honourable Speaker, I can report that for the past financial year the department created a total of 3,062 work opportunities. For the 2016/17 financial year the department plan to create a total of 4 904 work opportunities. The Rooting Out the Dust Programme alone will create 1600 job opportunities whilst 3304 job opportunities will be created under the transport infrastructure.

Rooting Out the Dust is the departments' special program which was implemented during the 2009/10 financial year. The programme's main aim is to assist the Province in creating work opportunities through labour intensive methods within municipalities of the Northern Cape Province.

The following programmes are planned per district for the 2016/17 financial year:

Z.F Mgcawu District aims to create 300 work opportunities through:

- Paving of Streets in Smartievalley
- Upgrading of J. Shimane Community Hall
- Fixing and Upgrading of Municipal buildings
- Cleaning of Grootdrink, Leerkrans, Karos.

Frances Baard District aims to create 192 work opportunities through:

- Paving of Internal Streets in Ritchie and Greenpoint
- Hartswater and Pampierstad Stormwater Channel Phase1, 2, 3
- Paving of Internal Streets in Roodepan.

John Taolo Gaetsewe District aims to create 470 work opportunities through:

- Mothibistad Brick Making Project
- Paving of T.M Tlhabane Road
- Paving of Internal Streets
- Eradication of Alien Species in Joe Morolong, Ga-Segonyana and Gamagara
- Paving of Internal Streets in Mentu.



Pixley ka Seme District aims to create 391 work opportunities through:

- Upgrading of Parks and Community Halls in various towns
- Paving of Street Two and Rand Street in De Aar and Neptune Street in Hanover
- Installation of 1000 water tanks in Van Wyksvlei and a low water bridge in Schietfontein
- Rehabilitation of the Access Road in Bongani
- Paving of internal streets in Richmond.

*Agbare Speaker, Namaqua Distrik poog om 293 werksgeleenthede te skep deur die:*

- *Opgradering van strate in Fonteintjie, Kommagas, Rooifontein en Fraserburg*
- *Opgradering van toegangspaaie in Kheis*
- *Baksteenmakery projek in Garies en Fraserburg.*

An additional 900 work opportunities will be created through the implementation of transport infrastructure projects such as the eradication of potholes, erection of road furniture and bridge maintenance. A total of 2 500 work opportunities will be created through maintenance projects per district.

## **SKILLS DEVELOPMENT PROGRAMME**

For 2016/2017 financial year a total of 50 participants will be trained in the Plumbing, Carpentry, Electrical (construction trades) over a 3 year programme.

*Agbare lede van die huis, die departement het samesprekings gevoer met die die Konstruksie SETA, Dienste SETA, die TVET Kollege, Namakwaland se Distrik Munisipaliteit en die Siyathemba Munisipaliteit en 'n gelofte is gemaak om 'n Vaardigheid Sentrum in Bergsig en Port Nolloth te stig. Dit is definitief goeie nuus vir ons Namakwalandse jongmense.*



### **Bursaries and Internship Programme**

Four students who were awarded full time bursaries during 2011, 2012 and 2013, in engineering related fields, have successfully completed their academic and practical studies in 2015. Out of the four, two are serving internships at the department. For the 2016/2017 financial year 16 students were awarded full-time bursaries in engineering.

A total of 12 interns who have successfully completed their theoretical and practical studies are placed within the department, in the different directorates for 12 to 24 months to obtain workplace experience.

### **Phakamile Mabija Artisan Program**

Honourable members, the period 2014 to 2024 has been declared the 'Decade of the Artisan' by the Minister of Higher Education. For the next 10 years the focus will be on skills and training in the artisan sector.

The department has a total of 45 learners enrolled in the program of which 17 commenced with their Workplace Training, 28 learners commenced with their trade test and 15 completed and 13 is busy with their supplementary exams. I acknowledge Kimberley Mine, Blackrock Mine, Afrisam (Ulco Mine) and Sishen Mine and De Beers Technical Training Centre for partnering with the department in this program.

### **Short Skills Training Program**

The following Skills Development Training was initiated during the 2015/16 financial year under the National Youth Service (NYS).

- Six youth trained as Grader Operators
- Six youth trained as Lead and Supervisory Construction teams
- Eleven youth trained in Bituminous maintenance and repair.

A total of 20 participants from Greenpoint EPWP Project were trained on Asphalt manufacturing, road surfacing and road repairs. 40% of the participants were women and 60% youth. A certificate accredited by the International Labour Organisations in Asphalt Surfacing was awarded to participants.

For the new financial year 945 participants will be trained in the following short skills training initiatives:

- 675 in Road Maintenance
- 20 as Safety Officers
- 100 in First Aid: Level 1 and 2
- 100 in Fire Fighting
- 50 in Labour Intensive Construction Techniques.

### **Contractor Development Program**

In the 2015 State of the Nation Address, President Jacob Zuma announced the Nine-Point Plan to boost economic growth. Point seven highlights unlocking of the potential of small, medium and micro enterprises (SMME's) cooperatives and rural enterprises. The Contractor Development Program aims to achieve exactly that.

Honourable Speaker, since the introduction of the Construction Industry Development Board (cidb), there has been an annual increase in the number of registered contractors as well as an improvement in their grading status. The Northern Cape Province has a limited number of contractors that are registered with the Construction Industry Development Board, especially on higher grade levels such as grade 7 to grade 9. The cidb database has a total of 3 369 active contractors that are currently registered that are in Grade 1 to Grade 7.

I am proud to announce, the department made financial arrangements amounting to R50 million for contractor development under the road maintenance grant. The department aims to ring-fence designated projects to be executed under contractor development.

During the 2016/17 financial year the department aims to incubate local upcoming contractors from grade 2 to 6 in the contractor development programme. Mentors will be appointed to support and advice identified small contractors. This programme will be implemented in conjunction with the Central University of Technology as the preferred training provider to offer the National Certificate in Construction.



Honourable Members, as we put efforts in our quest as government to transform the economy, we are faced with challenges of resistance from those who monopolise the construction industry. It is no secret that white monopoly capital is using different strategies to frustrate our processes of transforming the economy from the hands of the minority to the majority of our people. I have decided to render them those frustrating the policies of the democratic government elected by the will of the people.

In this regard, if a tender has been awarded to a black company, these 'Anti Transformational Forces' start processes of litigating the department in order to prolong and frustrate the transformational agenda of government and delay service delivery. This trend is not only prevalent in the construction of roads and government buildings, but also on the leasing of private owned property to government.

This sector is also monopolised by one section of the population and when government leases a building from a black owned company, the political opposition, the media and other anti-transformational agents cry foul and they start suspecting corruption. However, when the award goes to a white owned business, it is business as usual.

The department will take a tough stance on those instances where officials within the department collude and conspire by leaking information to service providers in the form of tender estimates and who has been awarded a particular bid. We also warned those contractors who are bribing government officials that once caught they will be blacklisted and will never be able to do business with government. In the same vein, government officials found to have committed any of the aforementioned will bear the brunt.

## **BUDGET**

Honourable Members, please allow me to present the budget of the department for the 2016/17 financial year. The 2016/17 budget has seen an increase of R10 million or 0,7% as compared to the adjusted appropriation budget of R1,463 billion in 2015/16 to R1,473 billion for the 2016/17 financial year.



Provincial Roads Maintenance Grant of R 905 million. The purpose of the grant is to supplement provincial roads investments and support preventative maintenance on provincial road networks and to ensure provinces implement and maintain road asset management systems. The EPWP Integrated Grant for Provinces is R 3,803 million. The purpose of the grant is to incentivise the creation of work opportunities within the province.

Honourable Speaker, since the introduction of the Infrastructure Grant the percentage equitable share versus the total budget annually decreases. The conditional grant was 48% of the total budget during 2008/09 and increased to 62% for the year 2016/17.

<b><u>Programme</u></b>	<b><u>Allocation</u></b>
Administration (9% of the total budget)	R134 million
Public Works (9% of the total budget)	R139 million
Road Infrastructure (76% of the total budget)	R1,117 billion
Community Based Programme (6% of the total budget)	R83 million
<b>Total Budget Allocation</b>	<b>R1, 473 billion</b>

In conclusion, I must highlight In the context of our countries' challenge to fight the triple burden of poverty, unemployment and inequality we pull all forces together in creating employment and we will continue to bring forth change in our rural communities.

It is against this background that the department remains committed to empower, educate and create work opportunities for youth through job placement and internship schemes. We aim to consolidate the Expanded Public Works Programme, to contribute towards the national target of 6 million work opportunities by 2019.

*Agbare Speaker, op die geleentheid wil ek een en elk bedank vir hul bydrae tot die sukses van die departement!*

Baie dankie.

I thank you.

Ke a leboga.

Ndiyabulela.