

## ADDRESS BY MR. MXOLISI SOKATSHA (MPL) MEC FOR ROADS AND PUBLIC WORKS TO THE PROVINCIAL LEGISLATURE ON THE OCCASION OF TABLING BUDGET VOTE 5

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Honourable Speaker and Deputy Speaker of the Northern Cape Provincial Legislature

Honourable Premier of this Province Mme Sylvia Lucas

Members of the Executive Council

Members of the Provincial Legislature

Heads of Departments

District and Municipal Mayors

Distinguished guests

Our stakeholders and the Contractors

Contractor Development Program beneficiaries and Students

Members of the media

Ladies and Gentlemen

Ndiyanibulisa nonke!

Molweni, Dumelang, Goeie dag, Good afternoon!

**Honourable Speaker,**

It is an honour for me today to have this opportunity to present to this august house the budget vote of the Department of Roads and Public Works. Especially in the year that our government led by our beloved movement the (African National Congress) dedicated this year to the centenary celebration of two of our greatest leaders of our liberation struggle (President Nelson Mandela and Mama Albertina Sisulu) respectively.

President Ramaphosa, during his State of the Nation Address indicated that “*We must devote our every action, effort, and utterance to the realisation of the vision of a democratic, just and equitable society*”, of which these icons stood for and laid firm the pillars of our country’s democratic foundation. In celebrating the centenary of the named icons of our liberation struggle, we are not only honouring the past but we are also building the future for which our forbearers and we all yearn.

It is therefore important not to hesitate and falter in discharging our responsibilities as representatives of our people in this august house. Our actions and our conduct today will be in the scrutiny of posterity tomorrow. There is no doubt that our forebears’ vision of a democratic, non-racial and free society is imbedded in the very principle that all men are born equal. Thus, any other perception or societal standing that seeks to contrast itself from this principle is an unjust one and should be corrected.

The ANC’s 54<sup>th</sup> National Conference reiterated its resolve and commitment to address the historical injustice of land dispossessions and to pursue land expropriation without compensation as a matter of policy; in order to correct the anomaly of having the majority of the land owned by the few, while the majority of our people relinquish in poverty and owns little or no land at all. It is important therefore to also adjust policy in order to enable government to dispose land owned by the state to aspiring black businesses in order to enable them to develop the land and compete in the industry. Honourable Speaker, as a department we will align our policies to this course in order to take the cue from the recent pronouncement on land expropriation in the quest for socio-economic transformation. We will establish mechanisms to ensure our readiness on this imperative by employing our resources through conducting a provincial land audit and investigating alternatives including properties for disposal.

President Nelson Mandela and others of his generation, fought for the freedom of all humanity and he said “*freedom cannot be achieved unless the woman have been emancipated from all forms of oppression*”.

In the same vein, Mama Albertina Sisulu said the following in 1987, referring to rent boycott in Soweto and the women's role: *"Women are the people who are going to relieve us from all this oppression and depression. The rent boycott that is happening in Soweto now is alive because of the women. It is the women who are on the street committees educating the people to stand up and protect each other."* As a department we will take deliberate efforts and work with other stakeholders to ensure that woman and the youth are the main beneficiaries of the land transformation initiatives in the province.

It is therefore important for woman to take full advantage of the opportunities available in order to emancipate themselves from the economic slavery and economic oppression. Through our deliberate and purposeful actions, we can continue the powerful legacy that (Madiba) had entrusted to us; to live for an ideal of a just and fair society where all man live in peace and harmony. Let us stay true to his ideals, including his unwavering commitment to justice, good public servanthood, equality and a non-racial in South Africa.

**Honourable Speaker,**

We must stay resolute in our resolve to ensure that we overcome the challenges of unemployment, poverty and inequality. During the State of the Nation Address, President Ramaphosa said: *"We are one people, committed to work together to find jobs for our youth; to build factories and roads, houses and clinics; to prepare our children for a world of change and progress; to build cities and towns where families may be safe, productive and content"*. We are looking forward to advance the objectives as articulated in the State of the Nation Address and State of the Province Address. Guided by these and other policy imperatives of our government, we will reinforce our commitment to deliver much needed services to our people to advance their socio-economic standing in society. Taking into consideration the aforementioned, it is

important to ensure that the department maintains policy certainty and consistent application thereof.

**Honourable Speaker,**

The department has intensified its efforts to enforce good governance through the improvement of the managerial processes such as, budgeting, strategic planning, internal control processes, control of our immovable assets and implementation asset registers, filling of vacant posts, etc. The department has achieved 97% last year on thirty (30) day payments to creditors to ensure sustainability and creating an enabling environment for business by reducing the rate of late payments to suppliers.

As part of upskilling our internal workforce, the Department issued eighteen (18) part-time bursaries during 2017 and is currently financing thirty-seven (37) part-time bursary holders. We have also provided external students with thirteen (13) full-time bursaries to deepen the knowledge economy in the engineering and related fields. The department appointed a total of fourteen (14) graduate and student interns, for the 2018/2019 financial year, this programme ensures that the interns gain work experience as well student intern obtain their qualifications. With regard to Adult Education Training (AET) the department has currently enrolled fifty-two (52) employees so to improve their qualifications and to broaden their skills base. To enhance the employment of women in the department it needs to be mentioned that since 2015, seventy-eight (78) women have been employed permanently within the department. In our commitment to youth employment, the department currently has two hundred and ninety three (293) staff employed between the age group 20 to 39, which makes up more than 34% of the current workforce. Many of these employees are between salary levels 7-11 which may be earmarked as the future leaders of the Department.

Honourable Speaker, with the recent 1% Value Added Tax (VAT) increase, the increase in fuel and the economic decline in the Gross Domestic Product (GDP) by 2.2%, the tertiary sector of the economy of which the construction industry who are our main partners are mostly affected and this has negative spin-offs on the price of services to be acquired. This decline was as a result of the poor performance of the main participants of our economic sector, namely the agricultural and mining sectors which are mostly found in our rich province. Honourable Speaker, we hope to recover soon, because we cannot ignite the growth in investment and employment without the main contributors of our economic sector. It is unfortunate that small businesses are mostly affected by this unequal economic phenomenon which still remains a challenge for our society. Honourable Speaker taking into consideration these challenges, it is evident that we should improve the economic participation in society and our efforts and policies with the aim to address the real needs of our society.

In our quest to ensure inclusive economic transformation and improve on the successes of our government, the department, we will remain resolute in enforcing and improving on the Preferential Procurement Policy Framework Act (PPPFA) 2017, with emphasis on compulsory sub-contracting 30% set-aside to Broad-Based Black Economic Empowerment (BBBEE) and designated groups in all projects or contracts above R30 million. We will target procurement from designated groups, including township and rural enterprises, black women and youth enterprises, cooperatives and people with disabilities.

**Honourable Speaker,**

As the provincial custodian of government owned immovable assets, we want to reiterate and reinforce our role to support client departments in order to ensure that they deliver much needed services to our people without hindrance. Core to our strategy is the maintenance of our provincially owned immovable asset base in order to preserve

and improve conditions of our immovable asset base in spite of the budgetary constraints we experience yearly.

Honourable Speaker, rates and taxes still remain one of the province's biggest challenge as some municipalities experience power cuts by ESKOM. To date, a total of R 468 million in arrears on rates and taxes owed by provincial government and the projected bill for 2018/19 is R145 million and the budget allocation is only R 60 million. This clearly reflects the insufficient budget we are provided with to settle rates and taxes. In some cases, outstanding accounts are as a result of municipalities being non-responsive to the request to provide invoices and in most cases their invoices are highly inflated without credible supportive evidence and this are because their challenges experienced with their unreliable billing systems. There is currently an ongoing process of transferring the Mittah Seperepere Convention Centre (MSCC) from the DeBeers Mining Company to the Northern Cape Provincial Government. A MINMEC resolution was reached to request additional funding from National Treasury to supplement the rates and taxes budget and to deal with rates and taxes arrears.

Honourable Speaker, our relationship with the Independent Development Trust (IDT) will remain work in progress especially with the new internal restructuring of IDT. In the past, IDT would directly engage our client departments regarding infrastructure projects and related developments and this resulted in many challenges. But since the signing of the memorandum of understanding (MOU's) last year with IDT that seeks to ensure we maintain and manage our IDT has been allocated Infrastructure projects by the Department.

The Department acknowledges that the construction of the New Mental Health facility has not only been the Department's colosseum challenge but also for the Province and the Country. This has been a difficult project that has been an albatross on our neck

and completing it should be seen as an end to a problem project and a huge lesson to the Province that never and never again, will a project take the direction this one took. I would like to report and reassure the public that the Mental Health Hospital has reached its practical completion. All works has been completed internally and externally and commissioning of equipment and services is in progress. The User department is currently procuring the necessary movable furniture for the hospital. The maintenance of the facility will be under the Department of Roads and Public Works for the coming three years to ensure that the facility is kept in a good condition at all times. We are more relieved that our mental health patients now have a home and a place that will give them the dignity they deserve.

Honourable Speaker, amongst completed capital projects is the Kimberley Drug Abuse In-patient Treatment Centre. The following are the other infrastructure projects which have been completed in the 2017/18 financial year:

**Department of Education**

- Ten (10) Ablution blocks
- Two (2) Classroom blocks
- A School hall
- Three (3) Early Childhood Development (ECD) classroom blocks

**Department of Sport Arts and Culture**

- Community libraries at Askham, Kamassies, Petrusville, Tsineng and Ritchie

**Department of Health**

- Upgrading of Emergency Medical Service (EMS) at the Tshwaragano Hospital
- Installation of Medical Gas at the Galeshewe Day Hospital:
- Refurbishment of the Carnarvon Community Health Care Centre (CHC):
- Upgrading and fencing of the Wegdraai Clinic

- Installation of Standby Generator Sets at various Health Facilities in all Districts
- Condition assessment based repairs and renovations projects at Clinics and Hospitals

Honourable Speaker, for 2018/19, more libraries are under construction in Carolusberg, Warrenton, Upington and Kuruman. The libraries for Greenpoint, Niekerkshoop, Dithakong and Valspan are in the planning phase.

**Honourable Speaker,**

The National Development Plan (NDP) urges us to enhance job creation through infrastructure investment. The Department remains committed to providing a balanced and equitable provincial road network that is accessible to all and continues to contribute to Outcome 6, which requires the establishment of an efficient, competitive and responsive economic infrastructure network through the routine roads maintenance program. The overall condition of paved road network has currently improved to Visual Condition Index (VCI) level of 72% due to road maintenance projects and this is recognised as a good standard despite the heavy vehicle traffic experienced in the John Taolo Gaetsewe (JTG) District where there is an excessive over-usage of road network. As a result, there is high impact of heavy vehicles, which utilises provincial gravel roads for mining activities and this has serious safety implications.

As part of mitigating this challenge, the department engaged the surrounding mines to partnership and to contribute towards the rehabilitation and maintenance projects. The department has formed partnerships with various mines in the JTG area for the rehabilitation of Mamatwane road which is currently in its final procurement stage. The estimated cost for this project amounts to R260 million. The department will continue engaging Sishen Iron Ore Community Development Trust (SIOC-cdt) for the implementation of the remaining portion of Laxey and Dithakong roads.



Honourable Speaker, one of the biggest challenges affecting service delivery are the community protests which have led to major delays in implementing road infrastructure projects especially in the JTG area. Amongst these challenges are sporadic mushrooming of different groups claiming to be legitimate community representatives and road forums. Protestors also want to forcefully participate in these projects as local contractors although they do not meet requirements. These concerns have resulted in financial losses to the department where in some instances we have lost graders, our site camps were set alight by protestors, our regional offices are invaded on daily basis and the contractors cannot proceed due to intimidation. The department's main challenge remains unpaved roads in the rural areas which provide access to strategic infrastructure projects (SIPs) and other economic activities.

Despite these challenges honourable Speaker, it is with great satisfaction to report to this august house that the department implemented the following roads infrastructure projects that seek to improve the socio-economic conditions of our people in line with the requirements of the NDP and that thirty (30) contractors have benefited from this policy imperative during 2017/18 and the following projects were completed:

- Reseal of Victoria West towards the N1, from Carnarvon to Williston, Fraserburg to Western Cape Border, Danielskuil to Kuruman and most of the roads in Vaalharts area;
- The upgrading to surface from Postmasburg to Jenn-Haven;

Another achievement worth mentioning honourable Speaker, is that we will continue to reduce fatal road accidents rate through various initiatives with our partners. We, together with South African National Roads Agency (SANRAL) have completed the high risk accident zones in the Frances Baard District, particularly the killer crossings on the Cape Town, Douglas and N8, and the department contributed R20 million.

Honourable Speaker, for 2018/19 road projects, we are planning to construct road projects for Hotazel, Tsineng phase 5, which includes the road from Gatsekedi to Maipeng and this amounts to a total cost of R40 million. Amongst these plans are the JTG SIOC-cdt roads which will cost a total value of R300 million with re-seal and re-graveling of various roads amounting to R444 million.

**Honourable Speaker,**

With regard to the Northern Cape Fleet Management Trading Entity (NCFMTE), the department will maximise its efforts to assess the current model in conjunction with a consequence management strategy to deal with departments who fail to comply with payment method. This will assist in dealing with outstanding debt which is increasing and improving the Entity's revenue base. We will also review the current model for its cost-effectiveness so that we have value-for money for our services rendered to our client departments. The Entity will also enhance its monitoring strategies this year to ensure we tighten the belt on vehicle misuse.

**Honourable Speaker,**

The Expanded Public Works Programme (EPWP) continues to be one of governments' key programmes to deal with the scourge of poverty and unemployment and will be implemented in its final year of phase III. The annual target for the Northern Cape for 2017/18 was twenty-eight thousand three hundred and seventy-seven (28 377) of which twenty-two thousand three hundred seventy-five (22 375) is for the Infrastructure, Environment and Culture, Social sectors and Municipalities. The Department remains committed to the national directive of youth development and have made great strides in training qualified artisans in the Northern Cape Province.

Honourable Speaker, with regards to Rooting out the Dust (ROD), this is the Department's special program which is aimed at creating additional temporary work opportunities through labour intensive projects within municipalities. This program is mainly aimed at revitalisation and beatifying of our townships. During 2017/18 financial year, we were allocated R50 million of which twenty-two (22) projects were created and 1600 temporary work opportunities.

Honourable Speaker, for the this financial year, an amount of R68,8 million was allocated of which R31,5 million is for Rooting out the Dust projects, R33,1 million for Poverty Relief and R4,1 million, for community development programmes. The province is therefore expected to create 2025 work opportunities through twenty-three (23) projects under Poverty Relief and the Integrated Grant.

Honourable Speaker, I recently launched three (3) Poverty Relief projects which entails the paving and cleaning of streets in three (3) of our districts, namely; John Taolo Gaetsewe (JTG), Z.F Mgcawu and Frances Baard and these projects will contribute one thousand and twenty (1020) work opportunities. In Z.F Mgcawu District, specifically the town of Louisvale, we envisage to create one hundred (100) temporary work opportunities, in JTG, three hundred and twenty (320) work opportunities will be created in the areas of Gamagara, Joe Morolong Gasegonyane for the paving of an access road along Promised Land. In Frances Baard, the Sol Plaatje Cleaning Project is planned to create six hundred (600) work opportunities.

Honourable Speaker, EPWP's skills development for the youth and women will remain on top of our agenda under the contractor development programme. We can therefore report that it's yielding positive results in skilling the built environment. Our milestones have resulted in the Phakamile Mabija Apprenticeship Programme receiving the Public

Sector Trainers' Forum (PSTF) Achievers Excellence Award for Excellence in Youth Development Training. This is a major milestone for the department since this Programme aims to address the scarce skills shortage in the following trades Diesel/Motor Mechanics, Fitting, Boiler Making and Electrical within the Province. Our skills development programme is offering artisan training programmes and numerous other skills development programmes that, in the past, have produced excellent artisans, plumbers, carpenters and many other candidates for skilled or semi-skilled occupations through the skills development programme.

Honourable Speaker, since its inception, the successes in the Phakamile Mabija Apprenticeship Programme can be highlighted as follows: A total of sixty-three (63) youth participated and fifty-nine (59) youth successfully completed the programme 92 % of which 41% are women.

- For the first intake seventeen (17) artisans graduated during July 2012.
- For the second intake twenty-five (25) artisans graduated during November 2016.
- For the third intake sixteen (16) artisans graduated during November 2017.

The Department finalised the renovation of Morwa Hostel in Prieska which is utilised for accommodating learners from the surrounding towns. We have signed an agreement with the Construction CETA, Services SETA, Rural TVET College, Siyathemba Local Municipality to train two hundred (200) learners in construction trade of which thirty (30) learners will graduate in July 2018. Other learners from the province have also been granted the opportunity to participate in this programme. In ensuring that we accommodate these learners, we are in the process of finalising the construction of the Trade Centre in Prieska and this will be utilised to train and qualify the learners in various areas of trade. Furthermore the fourth intake of the Phakamile Mabija Artisanship programme commenced in January 2018 with a unique intake of twenty-five (25) women. We can also report that in partnership with the Central University of

Technology thirty-six (36) local contractors are benefiting from the S'hamba Sonke Development Programme receiving training towards a National Certificate in Construction Contracting.

**Honourable Speaker,**

It is difficult to present this budget today, especially with the high infrastructure demand of our province comparing with what is at our disposal; we will have to do more with little. Please allow me to present the budget of the department for the 2018/19 financial year.

**Programme Allocation**

Administration	(9% of the total budget)	R155 million
Public Works	(9% of the total budget)	R149 million
Road Infrastructure	(77% of the total budget)	R1,352 billion
Community Based Programme	(5% of the total budget)	R92 million
<b>Total Budget Allocation</b>		<b>R1,748 billion</b>

**Honourable Speaker,**

As I conclude, I want to assure this house that we will not remain fixated on the economic circumstances but rather respond to the call for radical economic transformation and infrastructure investment. We will drive responsive policies which will create an enabling environment for businesses to thrive, as they are an important lever to create jobs and grow the economy inclusively. Despite the recent economic margins which have affected especially the mining industry who is our main partner, the department will continue to nurture relations to ensure we all gain as a collective in addressing the economic and social imbalances of our society.

I want to thank the following stakeholders: SANRAL, IDT, Kimberley Mine, Blackrock Mine, Sishen Mine, Afrisam (ULCO), De Beers Technical Training Campus, National Youth Development Agency, Northern Cape Rural TVET College, Local Government Sector Education and Training Authority, Service SETA and the Small Enterprise Development Agency (SEDA). In addition, do I acknowledge these partners for their contribution in the development of our province; and we would like to invite more of them to forge relations with us in order to contribute meaningfully in a coordinated and structured manner to develop infrastructure and human capital in the province. We will work together with all stakeholders to develop initiatives to improve the road network of the province to ensure easy access from uneconomicly active areas to economic mainstems to ensure increased creation job opportunities and economic participation.

Therefore, during the implementation of these road projects, more labour intensive methods are applied to heed to the call of increased job creation in a quest to eradicate poverty. We will also work closely with the road forums to ensure advocacy regarding our procurement processes and so that they become our mouth pieces in rooting out the community protests. I then want to assure our client departments that we will this year implement their infrastructure plans and public amenities with mindfulness to enable economic growth. We will ensure continuous maintenance of state property to maintain the good state of our assets.

Lastly, Honourable Speaker, I want to re-iterate that the year of our late Nelson Mandela has indeed reignited us, and with the new theme “Thuma Mina”, that indeed, I and my department will rise to the occasion! This department has pulled together all forces, human and other resources to ensure that we achieve the objectives of the National Development Plan (NDP).

**Honourable Speaker,**

Allow me to acknowledge the following people:

The senior management of the department under the leadership of HOD Mr. Kholekile Nogwili;

The departmental and ministry staff members of the department of Roads and Public Works for their commitment and dedication;

All members of the Provincial Legislature, Executive led by the Honourable Premier, Mme Sylvia Lucas;

My wife and my children; and

Most importantly, the people of the Northern Cape Province.

I hereby table the 2018/19 budget of the Department of Roads and Public Works for the consideration of this house.

Enkosi!

Baie dankie!

Ke a leboga!

Ndiyabulela!

