

Budget Vote Speech, April 2010: MEC D. Rooi, MEC for Roads and Public Works

Honourable Speaker and Deputy Speaker

Honourable Premier

Members of the Executive Council

Distinguished Members of the Legislature

Our Traditional leaders Dikgosi

Distinguished guests

Comrades and friends

The people of the Northern Cape

Ladies and Gentlemen

Honourable, Speaker, I am honoured to stand before this house and present to you, the 2010/11 budget vote on behalf of the Department of Roads and Public Works.

2010 signals an important year in our history. We celebrate the 20th anniversary of the release of Utata Comrade Nelson Mandela and other political prisoners. This year we celebrate

- the 55th anniversary of the adoption of the Freedom Charter signed in Kliptown.
- the 16th year of our blood-bought democratic dispensation and
- the 14th year since the adoption of the new constitution.

As the HOST COUNTRY, we are also celebrating the 2010 FIFA WORLD CUP, THE FIRST AFRICAN WORLD CUP. This is historic indeed! The city of Kimberley will play host to Uruguay, the first nation to win the inaugural world cup in 1930 when they defeated Argentina 4-2 in Montevideo.

However, all these celebrations are hollow unless we improve service delivery to our key stakeholders, the man in the street. We dare not disappoint them and thus pledge our commitment to excellent, people-centred service delivery without prejudice or favour. This department will endeavour to personify the service delivery maxim and ensure that the people will no longer feel marginalised because they will be served with the necessary dignity and respect by all employees in the department.

Honourable speaker, the ANC-led government has a clear mandate based on its elections manifesto. In his state of the nation address, President Jacob Zuma succinctly summarised the mandate when he said, “The defining feature of this administration will be that it knows where people live, understands their needs and responds faster.” The February 2010 cabinet lekgotla, in unpacking the electoral mandate, identified key strategic priority areas in the Programme of Action for the next five years.

This budget, as tabled here today, is indicative of the department’s commitment to support the implementation of these five strategic priority areas. It represents the department’s integrated approach to upgrading and maintaining the provincial infrastructure with the aim of attracting both national and international investment to benefit the citizens of the Northern Cape.

Honourable Speaker, the Department of Roads and Public Works is not content to settle for the Northern Cape ‘as it is’. We have ‘the courage and fortitude to remake the province’. We are committed to translating rights on paper into the language of life which allays all fears i.e. fear of hunger, unemployment and hopelessness. We need to stop the economic haemorrhaging from the province which leaves our citizens so impoverished, that it drives them to abandon hope and plunge headlong into a vortex of social evils which permeates our province and unravels the fabric of our, once proud, society.

Honourable speaker, we live in changing and challenging times. We need to change the way we do things. This is why we at the department of Roads and Public Works realise it cannot be business as usual. CHANGE IS OUR COMMON LANGUAGE TODAY, IT CAN NEVER BE BUSINESS AS USUAL.

We are committed to serve the people of the Northern Cape with honesty, loyalty and integrity. We commit ourselves to assist in job creation, maintenance, upgrading and development of infrastructure for the benefit of all, to ensure a better life for all. We are also committed to maintaining the ethical code, which underpins the high moral values of our South African society.

The daunting challenge facing this department is inadequate and poor road conditions, as well as the lack of maintenance of infrastructure and public facilities. We are also mindful that the resources at our disposal are outweighed by the demands. However, these resources will be strategically used to maximise the benefits. The public can expect nothing but the best from us. Our sleeves are rolled up and we are determined to engage in this war against poverty.

We need to remind the members of this house about the status quo of our roads in the province. We have a gravel road network of more than 22 000 km and 3 025 km of paved roads in the province together with an additional 37 000km that was identified after the reclassification. It is our task as a department to ensure that road users travel safely and that the road network in the province is improved.

Honourable speaker, it is extremely important to remind honourable members that our province has 21% of the total road network of the country but only receives 3,5% of the entire roads budget.

Honourable speaker and members of the house, we are still emphasising a major review of the funding model for road infrastructure. With the funding available, the department will be hard pressed to upgrade and repair the 43% of the paved road network that requires immediate attention.

Honourable Speaker, the Department had spent 96% of its total budget allocation of R753 million when we closed our books during the previous financial year.

In an effort to improve service delivery by eradicating role duplication and attracting the appropriate skills, the department has embarked on a process to ensure that all posts within the Department have job descriptions.

As part of our Skills Development Strategy, the department has awarded several bursaries to its personnel. These bursaries were allocated to fields relevant to the department's core functions, like Engineering, Quantity Surveying, etc.

To date a total of 24 employees have completed their studies through this fund, though some have left the department for promotional opportunities.

A number of courses were conducted as part of the staff development programme; namely

- Contract Management
- Computer Training
- Hospital Design
- Fleet Management

ROADS INFRASTRUCTURE

The Department spent R 1 billion in the previous 5 years on capital infrastructure projects. We will spend R1.3 billion on capital infrastructure over the next three years. The spending is earmarked for maintenance, upgrading, rehabilitation and upgrading of access roads.

Indeed, the provision and maintenance of an integrated road infrastructure ensures safe road usage and it also facilitates socio-economic development in the Province.

Honourable Speaker, this year marks the end of our service level agreement we signed with all five District Municipalities. The department is taking back the function of maintaining all the gravel roads and minor roads in the province to ensure the optimal utilisation of the funds. This process is at an advance stage where we had consultations sessions with all the District Municipalities and staff. Part of this is to investigate how to provide the service more efficiently.

We are also happy to announce to this house that the old yellow fleet was auctioned off successfully last year to the tune of R7 million. This was used to purchase 35 LDV's for the department.

Some 80% of our road network is now older than the 20-year design life for which it was originally built. The current state of our road infrastructure, particularly our province and municipalities, is reflective of a lack of sustained investment in road maintenance over many

years. The department in conjunction with NDOT are looking at a ring-fencing mechanism which will set aside dedicated funds for road maintenance.

The provision and maintenance of an integrated road infrastructure will ensure safe road usage and it also facilitates socio-economic development in the Province. There has been a great deal of adverse publicity around pot-holes and the general deterioration of our road network. To this effect there is an increase of claims against the department. For this financial year the department only have R574 million available to maintain the 22 000 km of gravel roads and the 3 025 km of paved roads.

The pressure on this department is whenever there is a demand it is not about improving the existing surface but to upgrade the road which is not affordable. For example, just to upgrade the Vosburg – Carnarvon road that is 60 km long would cost us R220 million.

As a result we are coming up with innovative ways of doing things;

- We have shifted the focus by moving the attention to periodic maintenance instead of upgrading.
- We have visited Namibia to look at how they maintain their gravel roads which is our biggest problem.
- How the CSIR have developed and used the Ultra thin concrete.
- Implementing the Limpopo model of job creation.

The Department has set aside R142 million for road maintenance on both paved and gravel roads. For the 1st time in 11 years the department started to regravell some of the roads to the value of R 33 million in all the Districts.

Upscaling of EPWP Access Roads Programme

We have successfully undertaken the following upscaling of EPWP projects during the previous financial year.

- Bulletrap access road
- Mothibistad T- junction
- Garies circle road

This program came with its own challenges

- The Department had to cancel the contract of a consultant due to non performance on 3 projects thus causing the delay in the construction of Longlands, Niekerkshoop road and Hartswater road.
- On 3 other projects we had to instruct another consultant to change the design to make provision for more job opportunities.

For this financial year R156 million is allocated for 6 projects.

The upgrading of the 110km gravel road between Hotazel and Van zylsrus is also continuing of which 53km has been completed. For this financial year R20.2 million was spent and 184 jobs opportunities were created; 61 females and 60 males, of these 63 are youths.

The extension of the Bulletrap access road consists of upgrading a 1.1km gravel street through the community to paved standard at the cost of R3.9 million. This project is anticipated to be completed on 30 June 2010 with 50 job opportunities created.

The upgrading of the UAP gravel road, 6.5km in length, to a paved standard will be continued in the Siyanda District. The estimated job opportunities to be created are 135 .

The 6.9km road to Jooste Eiland will be upgraded. The estimated cost for this project is R24 million and 145 job opportunities will be created.

The 5.5km road to the Karakoel Research Centre will be upgraded at an estimated cost of R21 million and 120 job opportunities will be created.

The 2,5km gravel from the main road to Longlands is being upgraded. The project started during March 2009 and the budget allocated for this project amounts to R4 million with estimated 120 job opportunities.

The upgrading of the 0.45km of gravel road in Noupoort was awarded to a learner contractor. The cost was R1,1 million and 34 job opportunities were created.

R3,8 million is set aside for the design of the Prieska – Niekerkshoop road and the Hartswater and NW border road towards Christiana.

The upgrading of asbestos roads in the John Taolo Gaetsewe District is a continuous programme at a cost of R 2million per annum.

The department is continuing with the upgrading of the 22km gravel road section between Tsineng and Ntsweng at a cost of R66 million. The road is 80% complete and 96 job opportunities are created.

We are also busy with the upgrading of the 44km gravel road between Churchhill – Bendel at an estimated cost of R89 million. The road is 15% complete and 28 job opportunities are created.

The department will commence with the upgrading of the road between Vosburg - Carnarvon at a cost of R220 million. This Road will enhance accessibility to basic services for the community of Britstown, Carnarvon and Vosburg and will also increase movement of agricultural products offered by Calvinia and neighbouring towns.

We have also identified two projects for rehabilitation during this financial year which is the 28km road between Nababeep and Concordia and the 65km road between Colesberg to Phillipolis. We are currently doing remedial maintenance on both of these roads.

PUBLIC WORKS

Honourable Speaker, the Department of Roads and Public Works is also the custodian of the executive function relating to Public Works in the province. The core function of Public Works is the construction, maintenance and management of public infrastructure in the province.

We need to reclaim our mandate and therefore urge our client departments that instead of doing construction and maintenance projects themselves; they engage us from the planning stages of such projects. This will just strengthen our working relations.

Property Management

Honourable Speaker, as mentioned above, one of the key tasks of the Department of Roads and Public Works is to manage the state's immovable assets. We have appointed additional staff to resolve our capacity problem in our effort to finalise the identification and verification as well as the vesting process. The total number of state owned immovable assets has increased from 2026 to 2039. Most of these properties must still be vested in the name of the province.

Honourable speaker let me also remind members of this house that the Government Immovable Asset Management Act (GIAMA) came into effect from the 1st April 2010. This act requires us as custodians to have a maintenance management system that will ensure a complete conditional assessment of all state properties.

We are currently identifying buildings that are no longer economically viable in order to decide on the best disposal strategy.

The Rates and Taxes function was devolved to the Province from National Public Works in April 2008. The province was under-funded to perform this function.

Kimberley Conference Centre (Multi-year Project)

The Kimberley Conference Centre contract was cancelled in February 2009 due to the non-performance of the contractor. A new contractor was appointed in June 2009 to complete the project. The department has commenced the process to recover the damages suffered as a result of termination of contract. The project is 53% complete.

EDUCATION

Honourable Speaker, the Department is implementing a number of key projects on behalf of the Department of Education. A total number of 85 infrastructure projects were identified.

Of these:

- 69 are completed;
- 15 are in construction, and
- 1 is in tender evaluation stage

The Schools Refurbishment Flagship programme consisted of minor repairs to a total of 40 schools. The programme provided soft skills and practical training to community members as part of job creation and at the same time addressing basic maintenance at school buildings. A total of 80 learners from 40 communities benefited from the programme.

The Early Childhood Development (ECD) Classrooms programme consisted of the construction of 16 single classroom and 2 double classroom units. Of these projects, 11 are completed and 7 are still under construction.

The construction of 6 new schools multi-year projects commenced during the 2008/09 year. Three of these schools are being constructed in John Taolo Gaetsewe District and two in Pixley ka Seme and one in Francis Baard District.

The department has also implemented numerous projects on behalf of the department of Education, and these include:

- 13 Ablution Blocks
- 5 classroom projects
- 1 science laboratory

A total of 61 infrastructure projects were identified by the Department of Education for the 2010/2011 financial year. These include:

- 17 Early Childhood Development (ECD) Classroom units at an estimated budget of R11 million.
- 11 Ablution blocks at an estimated budget of R6 million.
- 4 Administration blocks at an estimated budget of R6 million.
- 6 Classroom Blocks at an estimated budget of R8 million.
- 1 Computer classroom at a budget of R1 million.
- 7 Media centres at an estimated budget of R7 million.
- 3 Science laboratories units at an estimated budget of R3 million

DEPARTMENT OF HEALTH

Honourable Speaker, the Department is implementing a number of key projects on behalf of the Department of Health. A total number of 17 infrastructure projects were identified and all are in construction stage.

HOSPITAL PROJECTS

The main contract for the Mental Health Hospital contract was awarded during August 2005. Due to unsatisfactory performance, the contract was terminated on 7 December 2009 and all preparations to compile the final accounts and to commence with the new tender process are in progress.

The New Upington Hospital is progressing well and is on schedule for completion in November 2011. The project budget is estimated at R580 million and construction is 37% complete.

The Tshwaragano Hospital is in the design stage with an estimated budget of R6 million.

The new 159 bed De Aar Hospital including a TB unit will replace the old hospital. The project is in the design phase and construction will start this financial year at an estimated cost of R 360 million.

The upgrading of the pharmacy unit at the Galeshewe Day Hospital with an estimated budget of R8 million is in the tender evaluation phase.

The upgrading of the pharmacy unit at the Barkly West Hospital with an estimated budget of R3 million is under construction.

The Clinics programme for 2009/10 has been completed and consisted of construction of clinics in the following towns:

- Douglas,
- Platfontein,
- Deben,
- De Aar,
- Philipstown,
- Groblershoop,
- Hartswater,
- Olifantshoek,
- Pampierstad and
- Hondeklipbaai

Construction of additional 5 clinics started in November 2009 in the following towns:

- Novalspond,
- Grootmier,
- Riemvasmaak,
- Boitshoko, and
- Mapoteng.

Gamopedi and Deerham clinics are still in the planning stage.

The Community Health Centres (CHC) Programme consists of construction of 2 new centres in Williston (one upgrade and one new). The projects are in planning phase. The estimated budget is R40 million.

DEPARTMENT OF SPORT ARTS AND CULTURE

A total number of 4 infrastructure projects were identified for the 2009/2010 financial year. Of these, 3 are under construction and 1 in the tender evaluation phase.

The District and Community Libraries programme consists of construction of 4 libraries with a budget of R30 million in the following communities:

- Barkly West,
- Hartswater
- Richmond and
- Nababeep

The Richmond Library was completed in December 2009 while the other two are still in construction. The construction of the Library in Nababeep will start in this financial year.

EXPANDED PUBLIC WORKS PROGRAMME

The establishment of EPWP was done against the backdrop of extreme social deprivation. A target of creating one million job opportunities over a 5 year period for our most vulnerable citizens through EPWP by 2009 was set for Phase 1 of EPWP.

This ambitious dream became an unbelievable reality when this target was not only achieved but was achieved a year ahead of schedule. In line with the EPWP's strategic intent of promoting economic growth; facilitating sustainable development; alleviating poverty and providing income relief through temporary work on socially useful projects; this is a significant – and – deeply rewarding achievement. With this achievement, EPWP has proven itself to be an excellent example of 'best practice in secondary economy intervention' within the framework of the developmental state.

Although EPWP Phase 1 was a success, a challenge still remains, i.e. the increasing loss of jobs in the face of the recent recession and the need to reach more marginalised communities.

Employment creation and poverty alleviation is a key government priority and EPWP remains the most important vehicle for government to directly create employment opportunities and reach both the poor and the marginalised.

EPWP Phase II started on the 01st April 2009 and aims to create 4,5 million work opportunities nationally in the next 5 years. The honourable Premier signed a protocol with the Minister of Public Works, Minister Geoff Doidge, in which she committed the Province to provide 106, 193 work opportunities.

The Provincial target for 2009/2010 Financial Year was 13 031 work opportunities. At the end of the 3rd quarter, the Province achieved 12 432 work opportunities which is 95% of the target, across all Sectors. This excludes municipalities, which created additional 2 000 work opportunities against a targeted 3 678 work opportunities; and National Departments in the Province which created an additional 4 245 work opportunities. Overall the Province has created 18 677 work opportunities.

Most of the work opportunities were created in the Infrastructure Sector, which is the main driver of EPWP in the Province.

It is worth mentioning that the Social Sector also exceeded its target by creating 5 875 work opportunities against the target of 2 650.

We also saw the newly created Non-State Sector exceeding its target by creating 354 work opportunities against a target of 300. The lead implementing body in this sector is the IDT and its focus is on mobilising capacity outside the state (NGOs, CBOs, Non-profits) to create work for EPWP targets group. Funding for such projects is provided on the basis of the wage incentive.

For the coming financial year (2010/2011) our target is to create 14 629 work opportunities for provincial departments and 4 192 work opportunities for municipalities. With the same vigour and energy, the Province should reach this target. The Department will intensify support and coordination to ensure that all implementing bodies report all work opportunities created. This will further assist us to access the incentive allocation given to participating and reporting government departments. This much needed incentive will assist a lot in funding more projects thus creating more work opportunities.

As part of the contribution towards rural development the Department has introduced the programme "*Rooting out the Dust*". This programme is aimed at upgrading access and internal roads at municipalities and also to create as many job opportunities as possible.

The Department, through this concept, is implementing 23 road maintenance projects to the total value of R32 million. These projects are to create a further 1 709 work opportunities across various Municipalities and consist of:

- Drainage cleaning and vegetation control along road reserves;
- Upgrading of access roads;
- Manufacturing of kerb stones;
- School refurbishment programme;
- Debushing and vegetation control;

The Department will spend R55 million on this program during the current financial year across all Districts.

Contractor Development

The small number of CIDB registered contractors at higher levels is still a challenge for the Province. Of the 1 409 active contractors registered with the CIDB, only 2 are on Grade 8 and 4 on Grade 7.

As part of the strategy to offset this imbalance, the Department has resolved to fast-track implementation of the Contractor Development Programme, in partnership with CIDB, Construction SETA, Khula Enterprise & Nurcha. Adverts are out inviting contractors to express interest in participating in the programme. The Contractor Development Management Plan has been approved. This program will be implemented in two phases.

For this financial year the Department will roll out the Contractor Incubator Program (CIP) which targets contractors from Grade 3 to 7.

The purpose of the incubator program is to create an enabling environment within which selected existing contracting enterprises can develop into sustainable contracting enterprises. Key elements for this program include:

- Ensuring steady access to work opportunities by ring-fencing projects for the duration of the program.
- Mentorship and support to the contractors participating in the programme.

Minimum duration for each cycle should not be less than 3 years in order to have a desired impact and to allow all the necessary programs to run.

National Youth Service

In the 2009/2010 Financial Year, 192 Youths participated in the National Youth Service Programme. This group has exited the programme at the end of March 2010.

In addition, the Department is planning to recruit another 100 in the 2010/2011 financial year.

The Phakamile Mabija programme is on track, although 2 learners of the 39 that were originally sent for training are no longer part of the program. The remaining 37 have

completed phase 1 i.e. theoretical training and are awaiting placement. The Department together with The FoodBev Seta has identified a number of organizations where these learners can undertake their practical training.

Honourable members, allow me now to take this opportunity to table an amount of R797 million for the 2010/11 as follows:

<u>Programme</u>	<u>Allocation</u>
Administration (8% of the total budget)	R64 million
Public Works (12% of the total budget)	R94million
Road Infrastructure (72% of the total budget)	R574million
Community Based Programme (8% of the total budget)	<u>R65 million</u>
Total Budget Allocation	R797 million

Conclusion

Honourable Premier and my colleagues in the Executive Council, thank you for your ongoing support and advice, your strategic direction, and commitment to the goal and objectives of the Department.

Members of the Legislature and especially those of the Standing Committee, I thank you for your support and advice in assisting us in meeting our targets to upgrade and develop infrastructure for the benefit of all people in the Northern Cape.

To our many stakeholders in the Roads and Public Works sectors; thank you for your partnerships and your commitment.

To staff members in the Department; I thank you for your unwavering dedication and hard work towards improving the situation rather than responding to critics; for taking responsibility rather than passing the blame and for providing me with intelligent and capable individuals who personify the Department's commitment to efficient and effective service delivery. I value the gift of having dedicated professionals like you in my life.

I also wish to thank the team in the Ministry as well as the VIP team.

Finally I would like to thank my wonderful family for their support, patience and understanding.

Ke a leboga!!!

Ndiyabulela!

Thank you

Baie dankie

