



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA



Budget Speech Vote 5

2024/25



BUDGET VOTE SPEECH DELIVERED BY THE MEC ROADS AND PUBLIC WORKS, MS. BFP MAKATONG (MPL), TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE

17 September 2024

**Honourable Speaker, Ms Newrene Klaaste,
Honourable Deputy Speaker, Mr Mangaliso Matika,
Honourable Premier, Dr. Zamani Saul,
Traditional Leaders present,
Honourable Members of the Provincial Executive Council,
Honourable Members of the Provincial Legislature,
Executive Mayors, Municipal Mayors and Councillors,
The Director-General,
Heads of Departments,
Members of the Media,
Viewers watching from our social media platforms,
Distinguished Guests,**

Madam Speaker, I stand before this august house to present this budget vote at a particularly challenging time, where we are tasked with doing more with less. Our department has faced a significant budget cut of R60 million, which will inevitably impact our ability to fund critical projects.

The impact of this budget cut, coupled with a reduced equitable share, limits our ability to address all our needs fully. We must explore alternative funding models, such as rates and taxes, to address challenges and ensure that we can continue in our mandate to deliver vital services and maintain our infrastructure in the Northern Cape.

The seventh administration is in an ideal position to build on the achievements of the sixth administration to further address the infrastructure backlog. We have witnessed remarkable advancements, guided by our provincial government's vision, of a Modern, Growing, and Successful Northern Cape.

Our province stands as a testament to the transformative power of effective governance and inclusive development. With the reduced resources at our disposal, we take pride in providing access to essential amenities.

Madam Speaker, our focus is on fostering economic growth by investing in infrastructure that boosts economic activity, such as road networks, which in turn leads to job creation and stimulates business growth.

However, **Madam Speaker**, since 2022, our province has faced numerous weather events that have significantly impacted our infrastructure, particularly in human settlements and the road sector. When severe weather events occur in close succession, they exacerbate existing vulnerabilities.

Madam Speaker, we must recognize that these challenges present an opportunity to use the Build Back Better approach, which will reduce vulnerability to future disasters. Our response to these challenges will involve not just repairing and replacing what has been damaged, but also investing in more resilient infrastructure. This includes using innovative construction methods and materials, enhancing our early warning systems, and ensuring that our planning processes integrate climate risk assessments.

INCLUSIVE GROWTH AND INVESTMENT

Madam Speaker, President Cyril Ramaphosa has emphasized the transformation of South Africa, including the Northern Cape, into a construction hub. This transformation is essential, as South Africa requires an estimated R1.6 trillion in public sector infrastructure investment and an additional R3.2 trillion from the private sector by 2030 to meet its infrastructure goals.

To achieve this vision, bold initiatives are being implemented to deliver infrastructure at the necessary scale and pace. The government is driving key reforms to build sustainable infrastructure, increase business confidence, and attract much-needed private sector investment.

In the Northern Cape, we have already attracted billions of rands in renewable energy investments. Additionally, work is underway to establish the Boegoebaai Special Economic Zone, which will play a pivotal role in attracting investment for green hydrogen energy projects. The implementation of **48 capital projects** by our user departments is expected to significantly boost the province's economy.

As a Department, we have made tangible progress in advancing inclusive growth. Over the past two financial years, our commitment to creating business opportunities for historically disadvantaged groups, especially youth, women, and people living with disabilities, has delivered remarkable results. In the **2023/24 financial year alone, 83.3%** of our procurement was directed to black-owned businesses, **53% to women-owned enterprises, 18% to youth-owned businesses, and 0.5% to businesses led by persons with disabilities.**

These achievements demonstrate our dedication to fostering economic inclusion and ensuring that infrastructure development serves as a catalyst for social and economic empowerment.

OVERVIEW OF THE MEDIUM-TERM STRATEGIC FRAMEWORK 2019-2024

Madam Speaker, as we reflect on the achievements of the Medium-Term Strategic Framework **2019-2024**, it is clear that the period has laid a strong foundation for future development, which will be articulated in the budget presentation for the **2024/25** financial year.

During the financial years from 2020/21 to 2022/23, significant progress was made on infrastructure development, with 26 capital infrastructure projects successfully completed, representing 74% of the target of 35 projects. This includes 12 projects finalized in 2020/21, 8 more in 2021/22, and 6 in 2022/23. These projects have enhanced critical sectors, such as education, healthcare, office spaces, and safety facilities.

Moreover, we made substantial progress in road infrastructure. From 2020/21 to 2022/23, **1,063,950 square metres of roads** received essential resealing treatments, ensuring their durability and safety. Blacktop patching covered **94,639.84 squaremetres**, addressing key maintenance needs for surfaced roads. We also re-gravelled **916.71 kilometres** of roads and undertook extensive gravel road maintenance through blading, which covered **185,934.24**

kilometres; and approximately **69.60 kilometres** of roads were upgraded from gravel to surfaced status, ensuring better accessibility and road safety for all citizens.

These accomplishments underscore our dedication to enhancing the province's infrastructure, fostering economic growth, and supporting the long-term well-being of the people.

REMODELLING

Madam Speaker, the remodelling of the Department is not merely an administrative exercise but a transformative process that aims to redefine the way infrastructure is managed in our province. Under the visionary leadership of Premier Dr. Zamani Saul, this endeavour responds to the need for a centralized approach to infrastructure development, ensuring that our province is equipped to meet the demands of modern public service delivery.

Significant strides have been made, including the completion of a comprehensive Skills Audit and Organizational Climate Survey, which have laid the groundwork for targeted capacity-building initiatives.

The first phase of the skills audit for all technical personnel and the reviewing of the organizational structure have been completed.

The Department will continue to engage with user departments to speed up the transfer and secondment of essential personnel to the DRPW, to ensure that we are fully equipped to take on our expanded role.

Madam Speaker, the remodelling is a complex and ongoing process that requires strategic foresight and the continued support of all stakeholders.



PUBLIC WORKS



PUBLIC WORKS.

Madam Speaker, the Department is currently in the process of implementing 48 capital projects on behalf of various user departments. Some of the infrastructure projects are implemented by the user Departments. These projects are crucial to the development and well-being of our communities, as they aim to enhance our educational facilities, improve healthcare infrastructure, and support the growth of sports, arts, and cultural activities across the province.

The social infrastructure unit has successfully completed the following projects:

1. Boegoeberg and Bankhara Clinics.
2. Construction of nursing student accommodation phase 1 for 350 students with support services such as kitchenettes, laundries.
3. Upgrading and refurbishment of the main kitchen at Robert Mangaliso Sobukwe Hospital.
4. Installation, refurbishment and maintenance of 14 lifts at Robert Mangaliso Sobukwe Hospital.
5. Installation of perimeter fencing and high mast lighting at Sutherland and Fraserburg Community Health Clinics (CHCs).

The Department is currently undertaking the following projects, which are still under construction namely:

Department of Health:

Madam Speaker, R1,2 billion has been set aside for the following projects:

1. Construction of nursing college phase 2A for academic campus, administration and support services.
2. Replacement of 7 transformers.
3. Construction and installation of 2 mega litre water tank to augment the water supply at the Robert Mangaliso Sobukwe Hospital (RMSH).

4. Planning for a total upgrade of the laundry facility at the Robert Mangaliso Sobukwe Hospital.
5. Planning for an oncology unit at Robert Mangaliso Sobukwe Hospital together with the National Department of Health.
6. Repurposing of the old boiler house and conversion into Emergency Management Services in the Kuruman Hospital.
7. Construction of the Tshwaragano Hospital Gateway Clinic and walkways, which include removal of the residual asbestos material at the hospital.
8. Planning of the maternity ward at Tshwaraganao Hospital.
9. Installation and replacement of the Heating, Ventilation and Air Conditioning System at the K, L, and M Blocks at Robert Mangaliso Sobukwe Hospital.
10. Construction of the new Schmitsdrift Clinic.
11. Planning of the Lerato Park Clinic is underway.
12. Completion of Dr. Author Letele Medical Depot, which was flooded and damaged by the rain.

Department of Education

The Department is currently undertaking 14 education facilities projects with 8 new full schools under construction for the Department of Education

Department of Sport, Arts and Culture

1. Completed the refurbishment of Churchill Library.
2. Completed of the provincial library depot and offices.
3. Conversion of Masiza school into district offices.
4. Refurbishment of Mayibuye Multipurpose Centre has been withdrawn due to budget cuts.
5. Construction of the new Galeshewe Library is at advanced planning to go on tender in this financial year.
6. Repurposing of the SA Van Wyk hostel in Springbok in to district office (phases 1 and 2 completed), phase 3 is ready for tender

Madam Speaker, significant challenges have impeded progress. For instance, the theft of electrical cables on multiple occasions at the mental health site has been particularly detrimental.

Furthermore, the continuous stoppage of work on site by business forums or community structures has further hindered progress.

Payment delays are also beginning to take a toll on contractors, negatively affecting their cash flow and performance, and contributing to time and cost overruns.

Moreover, **Madam Speaker**, the Department's lack of internal capacity to manage these projects has resulted in an over-reliance on consultants, leading to increased costs and potential delays. The approval of plans by municipalities and other compliance requirements is also causing significant delays.

To address these issues, we need to fast track the development of a Provincial Infrastructure Masterplan which is aligned to the National Infrastructure Plan as part of the resolution taken at the provincial summit.

The timely delivery of public infrastructure is a top priority, and all stakeholders must be held accountable to ensure that these essential projects are completed on time and within budget. By doing so, we will not only enhance the infrastructure in our communities but also contribute to the overall well-being of our province.

RATES AND TAXES

Madam Speaker, rates and taxes remains an ongoing challenge for the Department. With an ever-increasing portfolio of social infrastructure added to the provincial immovable register, yet very limited allocations to cover the rates on these facilities, our user departments face significant risks. This challenge has, on occasion, led to the disconnection of electricity services in some municipalities, which hampers our ability to provide essential services.

We deeply appreciate the municipalities that have shown understanding and have worked collaboratively with the Department to find solutions, often granting us extensions and grace periods. We are fully aware of the financial strain these municipalities face, and we understand

that arrears on rates adversely impact their revenue collection efforts. We are committed to continuing our efforts to resolve these issues in a way that is fair and sustainable for all parties involved.

Madam Speaker, the Department does not have sufficient budget to do assessment on our projects in compliance with the Government Immovable Asset Management Act. The Department lacks the budget to conduct even basic visual condition assessments. This has been a recurring issue. We will be presenting a business case to the Provincial Treasury and have engaged the National Department of Public Works and Infrastructure, seeking financial assistance to address this critical need.

The failure to conduct these assessments has resulted in several user departments receiving adverse findings on their reports.

DISPOSAL OF EXCESS HOUSES AND BUILDINGS.

Madam Speaker, the Department remains committed to the responsible management of state-owned properties. The Province has a total of **2,004 assets** in the provincial asset register categorised as follows:

- **1,323 built on provincial land**
- **681 built on non-provincial land (Municipal, national etc.)**
- There are **1,409** constructed buildings such as schools, clinics, hospitals and libraries built on municipal and national land parcels.

In line with the Government Immovable Asset Management Act and the Northern Cape Land Administration Act, we continue to dispose of unused and excess properties in a manner that ensures transparency, accountability, and compliance with all legal requirements.

Madam Speaker, the Department through the Operation Verification process which is aimed at verifying occupancy on all leased government buildings and houses has assisted us to identify the current significant challenge of debt worth over **R10 million** owed by tenants occupying state-owned residences and buildings, which places additional strain on our financial

resources. To address this issue, the Department is implementing legal strategies to collect the debt owed to ensure that our assets are managed responsibly.

The Department is actively working on the sale of residential houses. In this first phase, we estimate generating **R23 million** from the sale of **25 houses** offered under the first right of refusal. Additionally, the live auction of **45 houses is expected to generate R38 million**. This is a significant step towards optimising our asset management and raising funds that will be reinvested into critical infrastructure projects.

The live auction is scheduled to begin on **3 October 2024 at 10h00** and will conclude on **8 October 2024 at 13h00**. Viewings of the houses on auction will be by appointment only, coordinated through the appointed auctioneer. For those who are interested, visit or contact our district offices or head office.

The properties up for auction are located in various towns across the province, which will ensure that the auction will have a wide-reaching positive impact in the province.

We are also planning a second auction phase, which is scheduled to take place before the end of the current financial year. This phased approach allows us to maximize the value of these assets while ensuring a transparent and orderly disposal process.

PARLIAMENTARY VILLAGE

Madam Speaker, the Parliamentary Village has been registered with National Treasury as a Public-Private Partnership (PPP). We are currently in the process of putting together a comprehensive business case which will be tabled at the EXCO.

We are committed to advancing this project with diligence and transparency, and we will continue to keep the House informed of our progress.



ROADS



ROAD INFRASTRUCTURE PROJECT.

Madam Speaker, despite budget cuts, we remain committed to promoting accessible transport networks that support socio-economic development in the province, in alignment with MTSF Priority 2.

I am pleased to report that, compared to three years ago, the overall condition of the provincial road network is, generally, in fair shape. For the financial years 2019/20 to 2022/23, we have made notable progress in the following areas:

- The paved road network improved from 69% to 70%.
- 93.8 kms were upgraded from gravel to being surfaced.
- 1 303.88 kms were re-gravelled.
- 188 159.62 kms of gravel roads were bladed.
- 318 612 kms of surfaced roads were resealed.
- 112 679 square metres of blacktop patching was conducted on surfaced roads and this includes pothole patching of internal municipal streets and the Vala Zonke projects.

Madam Speaker, the collaboration between provincial government and South African National Roads Agency (SANRAL) has yielded significant positive results.

The approval of the Infrastructure Investment Plan, by President Cyril Ramaphosa, is a significant effort to bolster growth in our province, with Strategic Infrastructure Projects (SIPs) at the forefront of driving this growth and investment.

One of the prominent projects is the Boegoebaai Green Hydrogen initiative, which is integral to the Namakwa Special Economic Zone (SEZ). These SIPs hold the potential to create approximately **35,000 job** opportunities once they commence. In our commitment to supporting these investment projects, we have proactively initiated interventions to ensure readiness for the Namakwa SEZ.

Two sections of the roads, namely, **R382, from Alexander Bay Airport to Port Nolloth, and from Port Nolloth to Steinkopf** have been relinquished to SANRAL, in addition to the 16

provincial roads transferred to SANRAL in November 2022. The total distance covered by SANRAL in the Province is **4 589**.

Madam Speaker, we welcome SANRAL's significant efforts to bolster the Northern Cape economy through its various road infrastructure projects across the province. To date, an investment of R510 million has been made, with R126 million dedicated to targeted enterprises, while over R10 million has been allocated towards job creation. These investments are notably reflected in the construction of the N9 road from Colesberg to the Eastern Cape border, as well as the upgrades on the N8 between Kimberley and Campbell.

Madam Speaker, the upgrading of the 20 kilometers of Phase 3 of Main Road 947 between Padstow and Laxey, in the John Taolo Gaetsewe District, is nearing completion. Previously, Phase 1, which included the upgrading of 10 kilometers, and Phase 2, which covered 10.2 kilometers, was successfully completed.

Madam Speaker, the extreme weather conditions, combined with the deteriorating state of South Africa's roads, has created a 'perfect storm' for road users. This situation has been particularly evident in the Namakwa District, where severe floods from 2023 until recently have caused significant damage to roads and bridges. We are currently reconstructing several affected roads and bridges, while others are still under construction.

Madam Speaker, our continued investment, of R100 million rand, in nano technology and equipment to repair roads quickly and efficiently is underway. To ensure a safe and sustainable transport network, we are exploring alternative and innovative methods to re-engineer our roads. One such method involves using mine waste materials, like concrete, for re-gravelling roads in areas where sourcing traditional material is challenging.

This year, we will pilot the re-engineering techniques in the John Taolo Gaetsewe and Namakwa districts, where we are seeing an increase in mining activities.

Madam Speaker, the following roads projects will be implemented during 2024/25 financial year and over the MTEF period respectively:

Project design:

- DR 3342 Gasese to Washington (Design);
- DR 950 Dithakong to North West Border (Design);
- DR 3235 Rooiwal to Violdrift (Design) and
- DR3475 N14 to Manyeding (Design).

Upgrading of Projects:

- MR974 between Laxey and Heuningvlei Phase 1;
- MR569 between Fraserburg and Williston Phase 2;
- MR567 between Sutherland and Middelpos Phase 2;

Rehabilitation projects:

- A section of MR938 between Kathu and Hotazel (Mamathwane); and
- MR804 from N12 to Free State border - Jacobsdal.

Reseal Projects:

- MR948 Churchhill to Bendel.

Regravelling projects

Department will continue with regravelling by using different technologies like stabilizing agents on the following roads:

- MR791 Petrusvile-Colesberg;
- MR745 Komagas-Kleinzee; and
- MR886 Askham-VanZylsrus.



EPWP



EXPANDED PUBLIC WORKS PROGRAMME (EPWP).

Madam Speaker, the Expanded Public Works Program (EPWP) has been a cornerstone of community development, uplifting and empowering the unemployed members of our communities. This programme has grown exponentially, representing the essence of government-led social cohesion. For the 2023/24 financial year, the Department created **12,769** work opportunities, achieving **110%** of the target set at **11,650** under the EPWP.

The target for the Department in EPWP Phase IV was to create **37,899** work opportunities between 2019 and 2024. We are proud to report that the Department has achieved **37,350** work opportunities, marking a 99% achievement of the five-year target.

In May 2024, the Premier and I, launched the Provincial EPWP Phase V, which aims to provide the unemployed with meaningful work opportunities through the delivery of community assets and services thereby building economic inclusion mechanisms that empower sustainable livelihoods and contribute to the country's development.

Planned performance for the financial year 2024/25

Madam Speaker, under the sub-directorate of Community Development, budgets have been allocated to each district to implement the EPWP Root out the Dust Program and Poverty Relief Programs. The Department of Roads and Public Works has set a target of creating **2,300 work** opportunities for the 2024/25 financial year.

Furthermore, the sub-directorate has received grant funding amounting to **R3.2 million** from the Department of Public Works and Infrastructure Development. The funds will be used for the root out the dust program and maintenance.

MATRIC COMPLETION PROGRAMME FOR EPWP BENEFICIARIES

Madam Speaker, we recently launched the groundbreaking programme called the Matric Completion Programme, which is in partnership with the Northern Cape Community Education

and Training College, a subsidiary of the Department of Higher Education and Training. We intend to extend the reach of the programme by registering more than 300 EPWP beneficiaries in the Frances Baard District.

The programme forms part of our Exit Strategy to identify opportunities for EPWP beneficiaries on training programmes. The proposed strategy is being developed around further learning and training, employment opportunities, SMME and Co-operative Developments.

So far, the college has successfully registered approximately 207 beneficiaries in various categories. Some women started last week with the end-user computing course. These computing skills are essential for our beneficiaries as they navigate the Fourth Industrial Revolution. The beneficiaries' enrolment is as follows:

- Matric-72
- Level 4- 31
- Computer- 38
- Early Childhood Development- 38
- Sewing-28

The numbers are expected to change as beneficiaries are continuing to enroll for various programmes. We will be launching the same programme in other districts in the Northern Cape.

Madam Speaker, as EPWP coordinators, we call on other departments that have EPWP programmes, to take this opportunity and enroll their beneficiaries.

The programme offers various education opportunities, including Grade 9 and ABET (Adult Basic Education and Training) and Level 4 for those who are literate but have not completed formal schooling.

Entrepreneurship Development Programme

Madam Speaker, the Entrepreneurship Development Programme has been specifically designed to support female contractors, particularly grade 1 contractors in our province. In the

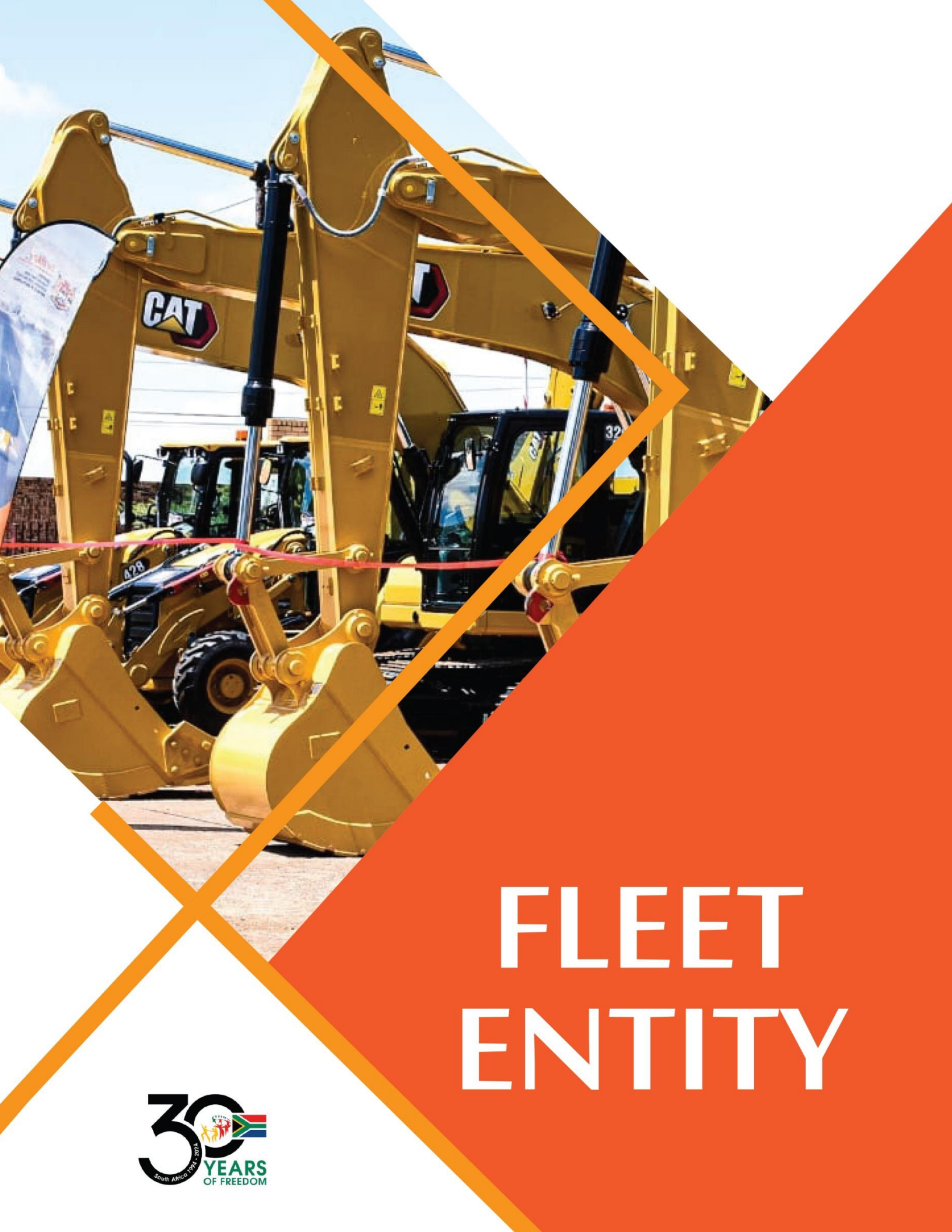
last financial year, 2023/24, we successfully launched a pilot programme where **27 female** contractors completed their entrepreneurship training.

For the current financial year, we are expanding this programme to other districts, with a target set to support **50 female** contractors. The programme commenced in the second quarter with **13 female** contractors receiving training in Namaqualand. During September 2024, **12 female** contractors in the ZF Mgcawu district will begin their training, while the rollout for Pixley ka Seme and John Taolo Gaetsewe districts is planned for the third quarter.

New Venture Creation: Enterprise Development Programme: Persons with Disabilities

Madam Speaker, the New Venture Creation: Enterprise Development Programme is set to become one of the EPWP's flagship initiatives, focusing on both enterprise development and supporting persons with disabilities. The Department has entered into a partnership with Disabled People of South Africa, and a memorandum of agreement has been established to formalize this collaboration.

For the 2024/25 financial year, we have set a target to support **50 persons with disabilities** within the province. The programme aims to guide and support these learners through a structured and accredited training programme, enabling them to start their own businesses. The first two groups, located in Namaqualand and ZF Mgcawu districts, will commence their training in the third quarter.



FLEET ENTITY



FLEET ENTITY

Honourable Speaker, the department is embarking on a groundbreaking partnership with MERSETA through its Fleet Entity in the motor mechanical industry. This initiative aims to empower and train **200 participants**, consisting of 100 internal technical staff from the department and 100 unemployed youth across the province. Over a period of 6-8 months, these participants will receive accreditation in various technical skills.

This initiative will mark the beginning of a unique program in our province, designed to support small cooperatives in the motor mechanical industry; and address several concerns raised by farmers regarding the technical capacity of our Fleet Entity.

To further enhance service delivery, we will replace **50 white fleet** vehicles and **20 yellow fleet** vehicles this financial year, strengthening capacity and building solid relationships with all stakeholders.

STAKEHOLDER MANAGEMENT

Madam Speaker, the maintenance and development of our road infrastructure is a collaborative effort that requires the active participation of all stakeholders and communities.

Hence, we seek to strengthen the relationship we have with other stakeholders by convening regular meetings, wherein we will be able to discuss some of the burning issues within the built environment. Moreover, I urge our communities and broader stakeholders to report any instances of vandalism of our unoccupied buildings.

BUDGET ALLOCATION

Honourable Madam Speaker, it is my great pleasure to present to you the budget for the Department of Roads and Public Works for the upcoming fiscal year. The budget allocation for the 2024/2025 financial year amounts to **R2.203 billion**, which translates to an increase of 3.5

per cent when compared to the adjustment budget. Included in the allocation is an amount of **R1.476 billion** which relates to the Provincial Roads Maintenance Grant and **R3.394 million** allocated for the EPWP Incentive Grant.

The equitable share decreased with 8% compared to the adjusted appropriated. The decline can be attributed to the once-off allocation of **R70 million** that was received for rates and taxes during the 2023/2024 financial year. The budget further increases with 4.2 per cent for the 2025/2026 and 4.5 per cent for the 2026/2027 financial years respectively.

The Provincial Roads Maintenance Grant increased with 10.3 to R1.475 billion in 2024/2025 from R1.388 billion in 2023/2024.

Programme Allocation

Administration (10% of the total budget)	R200 million
Public Works (8% of the total budget)	R181 million
Road Infrastructure (78% of the total budget)	R1.726 billion
Community Based Programme (4% of the total budget)	<u>R96 million</u>
Total Budget Allocation	<u>R2.203 billion</u>

CONCLUSION

Madam Speaker and Members of this House, as we conclude, I want to extend my heartfelt thanks to those who have made our progress possible.

First, to the Premier, Dr. Zamani Saul, for his visionary leadership and unwavering support. To my colleagues in the oversight bodies and the Executive Council, your collaboration has been invaluable.

I am deeply grateful to the Head of the Department, our Ministerial staff, and the Management team for their continuous dedication and professional support.

Most importantly, I want to thank the people of the Northern Cape for their steadfast support and commitment to building a better future for our province.

As the President emphasized during the opening of Parliament, *“Let us stand with a greater determination. And let us move on in these powerful days, these days of challenge, to make South Africa what it ought to be.”*

In the spirit of these words, we commit ourselves to the task ahead with renewed vigor and unwavering resolve. It is through our strategic efforts and targeted investments that we will build a sustainable, resilient, and prosperous Northern Cape for all its residents.

Together, we are paving the way for a brighter future.

I thank you.



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