



## **Media Conference addressed by MEC Mahlakeng Mahlakeng at Head Office of Public Works Roads and Transport today (Tuesday, March 30, 2010)**

**Date:** Tuesday, March 30, 2010

Good Morning Ladies and Gentlemen.

Welcome to our last Media Briefing hours before end of the current financial year.

- We have just made payments of more than **R105m** to more than 100 road construction companies.
- This was money owed to them for work done on several of our roads in the province.
- I am informed that the last bulk of payments is indeed running as we speak. For all companies whose details are in order, I can assure you there will be money in your bank accounts before the close of business today.
- As you are aware, we are also closing the chapter on what has been an extremely difficult financial year, especially for our roads directorate.
- When we raised the alarm back in August 2009, little did we also realise that financial management in the road directorate was in fact, a catastrophe.
- It had the potential to bring the ship down but fortunately the storm has now subsided.
- Painful as it may have sounded then- barely six month in office- I believe I did the correct thing at the right time.
- I told the nation the truth and the truth was:
  - More than R1.5 billion of tax-payers monies allocated to my department for road capital projects in the next period of three years- Medium Term Expenditure Framework- has been committed already.
  - **In fact, we are in the process of cancelling those appointments which were done over three years.**
- I made it known, before being asked, that:"

- Within three months, of the current financial year, 2009/2010, the roads directorate had already spent 100 percent of its capital project budget.
- More than R525m of the allocated budget was depleted in three months into the financial year ending tomorrow.
- That explains why more than 100 construction companies could not be paid. There was just no money to pay them, because of the financial paralysis in road directorate.
- I am still of the view that, this pathetic situation should have never been allowed to happen, if people tasked to lead and manage had done their job.
- From self serving to serving communities.
- I must admit that late payments were indeed a hush and cruel punishment for most of these companies, some of which were just emerging.
- Others have succumbed because of cash flow problems and creditors have moved- in to repossess the little that they may have accumulated through years of sacrifice and hardship.
- In short, because of the porous system in the roads directorate, compounded by greed and collusion to fleece government of funds, we have killed the businesses of many of our honest, aspirant and potential entrepreneurs.
- **As an Executing Authority, I want to sincerely apologize to scores of companies who had to suffer cruel body blows and shrapnel wounds from stray bullets in a dog fight which they were never really part of.**
- But in spite of the pain they suffered, owners of these companies never took us to court. They sympathised with us because they understood the turbulent phase this department was in.
- **On the contrary, I take my hat off, to many of them, who came forward and voluntarily gave us information that could assist us.**
- They did not come to ask for payments because they understood we had no money. But information given to us has proved to be very credible and useful.
- To all of you, you have indeed lived- up to the calling that:
- **``Together we can do more''.**
- **Indeed, we are in this together and I want to thank you for the courage you have shown.**

- To this end, we made follow-ups and your information has given us important and fresh leads into a number of activities.

### **As a way forward during the new financial year.**

We are out of the woods.

There is plenty of work to be done in the new financial year and beyond.

This we will do to the best of our ability in spite of the budget constraints in our province and nationally also.

But be that as it may:

- We ought to ensure money is spent more efficiently to curb frivolous spending.
- We have started implementing measures to ensure that the bulk of available funds are spent on the actual provision of services rather than non core functions.
- Tough situations require a bold approach on how we as a department and government spend money, particularly to ensure that priorities of government have the funding they require.
- To this end, more focus will be on road maintenance in the new financial year.
- We have already withdrawn the monthly subsidy we have been paying to Sub-Saraha for operating the flights between OR Tambo International Airport and Mafikeng Airport.
- As we said a week ago, most of this subsidy will be diverted to Scholar Transport where the impact on the lives of hundreds of thousands of rural and farm learners will be realised.
- Needless to say the spontaneous outpour of accolades in response to that decision has been more than overwhelming.
- It was indeed the correct decision.
- I have sought some advice from management team, under the stewardship of Acting DDG, Motlapele Ntshabele, whether there is any value for money in hosting the annual North West Airshow.
- This is a very expensive form of entertainment to be borne by government alone.
- If we are to ensure that available funds are spent on the actual provision of services, rather than non-core functions, it has become logical that:

- We play a minimum role as government on this annual event and allow the private sector to play a more active role in it.
- That does not dilute our commitment, to “Bring Aviation to the People”.
- We may even have to cast the net even wider to scale down on the number of consultants doing work we should ourselves be doing at no cost.

**With regards to the latest on the disciplinary case of the Chief Direct: Roads, Mr Eddie Thebe.**

Proceedings against him have begun. Mr Thebe is defending and the case will resume on April 09, 12 and 13.

- You will recall that Mr Thebe faces 10 charges of gross misconduct.
- On other disciplinary cases still pending against suspended Head of Department (HoD) Nic van Staden and Chief Financial Officer (CFO) Kweku Odame-Takyi:
- Both are scheduled to appear before the disciplinary committee on April 19.

**Status with regard to the Sun-City to Phokeng FIFA Protocol Route**

You will recall that we have made an offer to Moseme Construction to complete the Sun-City to Phokeng road project “on a without prejudice basis” pending the finalisation of investigations by various law enforcement agencies.

- Moseme Construction made a commitment to Government that they will finish the road project by May 18, 2010. We are in fact encouraging them to finish earlier than that.
- By yesterday, they informed us that they will meet that target.
- We therefore remain optimistic, following the commitment made by Moseme Construction to government that this road would be handed over to FIFA by May 21, 2010.

**Partnership with regard to Derdepoort Road.**

- We are engaged in talks with our counterparts in Limpopo to work on the Derdepoort Road which technically links North West, Botswana and Limpopo.
- It is a 71km gravel road which both provinces have made a commitment to re-gravel.
- Thirty (30km) of that road falls under Limpopo while 41km is in North West.

- We have also committed ourselves in doing about 12kms into Molatedi, which is tourist attraction area.
- In view of the game farms and the dam in that area, our initiative will definitely stimulate economic activity in that area of Molatedi.

**In Conclusion:**

- My counterpart in the Department of Economic Development and Tourism and I, will be leading an inter-departmental delegation to Dubai in the United Arab Emirates from April 08 to April 15.
- This is a week-long business trip. We hope to engage with potential investors in Dubai who may also be interested in doing some work with us in the province.
- Discussions may also include the effective running of Mafikeng Airport

Ladies and Gentlemen: I want to thank all of you present here today including your counterparts sitting in their newsrooms elsewhere in the country, for your support.

- Your contribution in spreading the message to our communities about the challenges is greatly appreciated.
- To your readerships, viewership and listenership, I say thank you for their understanding and support.
- We will continue to remain open, accessible and transparent at all times because the communities have the right to know.
- I thank you and wish all of, a safe and pleasant Easter Weekend.

**END.**