

**dpwr**

Department:  
**Public Works and Roads**  
North West Provincial Government  
Republic of South Africa



# BUDGET SPEECH

## 2015-2016

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EXPANDED PUBLIC WORKS PROGRAMME





**We have our work cut out...** Foundation trenches on the site of the new office block for Madikwe Sub-district bear testimony that working in potter camps is soon becoming a thing of the past. This R 13.3m project will now provide adequate office space, comes as relief to our colleagues in Madikwe who have for past years used potter camps as offices. These potter camps have become dilapidated and are gradually falling out of use and unable to cater for the growing staff compliment.

The project started in January 2015 and is expected to be completed by November this year. The new office building will comprise of 30 offices, kitchen facilities as well as 2 meeting boardrooms. The inclusion of new ablution facilities in the contractor's scope will bring a sigh of relief to departmental staff as they currently use pit toilets.

# VISION AND MISSION STATEMENT

## Vision

Delivery and maintenance of quality infrastructure that supports and promotes sustainable growth and development.

## Mission

To provide for the management of provincial land, building and roads infrastructure through sustained investment.

The main purpose of the Programme is to provide and manage the state-owned immovable property portfolio and to accommodate all Provincial departments.

## Values

The vision and mission statements of the department are underpinned by the following values:

- ⊙ Client focus
- ⊙ Professionalism
- ⊙ Integrity
- ⊙ Commitment
- ⊙ Valuing staff
- ⊙ Mutual respect at all levels of the organisation
- ⊙ Accountability
- ⊙ Compliance and adherence to the Code of Conduct for Civil Servants

**HONOURABLE SPEAKER OF THE  
LEGISLATURE AND DEPUTY SPEAKER;  
HONOURABLE PREMIER SUPRA  
MAHUMAPELO;  
HONOURABLE CHIEF WHIP AND  
CHAIR OF CHAIRS,  
HONOURABLE MEMBERS OF THE  
EXECUTIVE COUNCIL;  
MEMBERS OF THE LEGISLATURE;  
CHAIRPERSON OF THE PORTFOLIO  
COMMITTEE ON PUBLIC WORKS AND  
ROADS;  
ACTING DIRECTOR-GENERAL;  
ACTING HEAD OF DEPARTMENT AND  
MEMBERS OF SENIOR MANAGEMENT  
OF THE DEPARTMENT;  
THE BUSINESS FRATERNITY;  
LEADERS OF POLITICAL PARTIES AND  
ALLIANCE LEADERSHIP;  
LEADERSHIP OF LABOUR  
ORGANIZATIONS AND THE HOUSE OF  
TRADITIONAL LEADERSHIP  
NON-GOVERNEMENTAL  
ORGANISATIONS; BELOVED CITIZENS;  
HONOURABLE GUESTS; AND  
MEMBERS OF THE MEDIA  
KE A LO DUMEDISA. KAGISO,  
TLAHOBOLOGO LE TSWELELOPELE DI  
NNE LE LONA.**

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## **INTRODUCTION**

Madam Speaker in 2014 the Department

participated in the 10th Anniversary of the National Employee Wellness Sports and Recreation tournament together with other 20 national and provincial departments in Port Elizabeth hosted by Eastern Cape Province.

This Department Madam Speaker is the founder member of this national tournament together with Kwazulu Natal, Western Cape and the IEC since its inception in 2004.

The Department played in the finals in all six (6) major sporting codes and subsequently the Department won:

- ⊙ Two (2) silver trophies won by Ladies soccer and Male Open-age soccer
- ⊙ Four (4) gold trophies won by Male Veteran soccer, Veteran Netball, Volleyball and Open-age Netball together with the other Four (4) GOLD revolving trophies.

For the first time in the history of this National Sports Tournament, the Department broke the record by winning Ten (10) trophies in celebration of the 10th Anniversary of this sports tournament. All the BEST PLAYERS of the tournament came from this Department and they are:

- ⊙ Volley ball: **Mr. Philemon Sirungwa** from Ngaka Modiri Molema District



- ⊙ Open-age Netball: **Ms. Tshenolo Mhlophe** From Mmabatho Head Office.
- ⊙ Veteran Netball: **Ms. Keobakile Galogakwe** from Mmabatho Head Office.
- ⊙ Veteran Soccer: **Mr. Tebogo Pitso** from Dr Ruth Segomotsi Mompoti District.
- ⊙ Open-age soccer: **Mr. Atisang Batsi** from Dr Ruth Segomotsi Mompoti District.
- ⊙ Ladies Soccer: **Ms. Malebo Moswela** from Dr Ruth Segomotsi Mompoti District.
- ⊙ Honorary award was given to the Department's own **Ms. Innocent Mashokwe** as the only founder member who is still participating in the National Committee since 2004.

The Department was announced the overall winner of the 2014 tournament and BOKONE BOPHIRIMA as the overall winning province.

## THE FIGHT AGAINST XENOPHOBIA AND BUILDING NATIONAL UNITY AND COHESION

On his inauguration as the president of the democratic South Africa, Dr. Nelson Mandela said *“Never, never and never again shall it be that this beautiful land will again*

*experience the oppression of one by another and suffer the indignity of being the skunk of the world”*

The recent violent attacks on foreigners who sought refuge to this beautiful country cannot be left un-condemned. With a deep sense of shame, these callous acts are contrary to the spirit of a united Africa whose borders are imaginary.

We call upon all citizens of the province to participate in the regional economy and use every available opportunity to make meaningful change whilst at the same time changing their lives. Africa belongs to those who live in it and South Africa is part of Africa.

The greatest monument we can erect is to build South Africa whose citizens can defend her from all acts of prejudice. The xenophobic attacks are contrary to what Nelson Mandela cherished and through our actions we remain the skunk of the world.

## CONTEXT

Madam Speaker when we entered the financial year 2014/15, the Department's annual report reflected an expenditure of 98%. That expenditure was not commensurate with the priorities of the province but it sought to address the previous 2013/14 financial year accruals of R325m.

Of the R325m accruals, R211m related to the Transport Infrastructure (Roads). This had a negative bearing on the 2014/15 budget. This continues to disadvantage service providers, whose debts remain unpaid, thus suffocating their growth.

The Department welcomes the new EXCO decision to have a joint working group with the treasury on helping to resolve the problem of past accruals and budgetary constraints with regard to transport infrastructure.

Whilst we are committed to job creation on a massive scale, the Department had an Expanded Public Works Programme regime of 18 000 beneficiaries. Whilst we applaud ourselves for this, the Department had no financial muscle to sustain the programme.

Of this 18 000 beneficiaries the situation was untenable as some of the beneficiaries have been in the Expanded Public Works Programme for a longer period contrary to the policy guidelines, thus denying others an opportunity to be part of a system designed to benefit all sectors of society as a temporary poverty relief measure.

The Premier of the North West Province Madam Speaker, in his vision to change the landscape of the Province and to lessen the heavy burden on the province, made a bold announcement to ensure ward a based model that would see the

construction of roads in each municipality. For this to be realized, massive injection into transport infrastructure development and maintenance remains a priority.

The construction of roads at an accelerated pace was punctuated by a roads implementation programme that was not aligned to the treasury allocation and baseline, having an effect on our ability to drive the Premier's vision of a world class road infrastructure network that augurs well for economic growth.

Having declared 2015 as the “Year of Freedom Charter” and within the “Saamwerk and Saamtrek” philosophy and our conviction that “The People Shall Govern”, our energies will be invested in strengthening community relations as a way to optimally maximise cooperation between the State and society.

The South African economic outlook paints a bleak picture of the high rate of unemployment.

This calls for radical economic transformation interventions and innovative ways of ameliorating our people from the widespread poverty by paying more attention to and investing in the second economy, the village economy, the township economy and the small dorpie-economy.

The second economy will be based on a ward-



based model which has yielded positive results. This is attested to by the tarring and upgrading roads in the City of Mahikeng, Montshioa township and Mmabatho.

Internal roads in wards 1 and 14 in Taung are at design stage including the installation of solar lights. The upgrading of Pudumong and Manthe clinics are well underway. Contractors have been appointed as part of the War-On-Poverty Projects. Those projects include:

- ⊙ Brickmaking plant in Dryharts;
- ⊙ Enviro Loo
- ⊙ Widening and upgrading of Manthe and Taung bridges;
- ⊙ Upgrading of Maganeng clinic; and
- ⊙ Construction of Dryharts clinic.

If we are to speedily implement and achieve our strategic goals and deliver quality services to our townships, villages, small dorpias, a ward based programme that is intrinsically aligned to the local government's Integrated Development Plans remains critical.

This will, if properly harnessed and in partnership with various economic role players at local level, contribute towards our ideal of an economy that is responsive to the desires of our people whilst at the same time bringing services closer to communities.

As part of Policy Outcome 7 this budget is

oriented towards the development of rural communities through the construction and maintenance of rural access roads in order to ensure accessibility for commuters and farmers.

The Department has adopted the Itirele and Vuk'uphile programmes linked to the buildings and roads infrastructure as well as district based projects. All these are located in communities to ensure sustainability of rural communities and the contribution to food security.

We shall continue to invest in local economies through the War on Poverty Projects. The brick making projects in Bloemhof, Mahikeng, Moretele and Ventersdorp- the four Brick manufacturing machines have already been purchased, this programme will be operationalized with effect from July 2015.

Madam Speaker, due to the state of our national economy the 2015/16 national budget has seen a drastic reduction in provincial allocations for infrastructure development.

This invariably led to the Provincial Treasury announcing belt-tightening measures with more emphasis on value for money and quality service delivery. This has meant Madam Speaker, a reduction of over one hundred million (R100 000.000.00) budget allocation to the Department of Public Works and Roads.

## LITIGATIONS

The Department of Public Works and Roads, by its very nature as the name denotes Madam Speaker is highly litigious.

In the last financial year Madam Speaker I stood before this house and reported that strides are being made to reduce litigations and I can proudly announce that litigations against the Department have abated. This is a culmination of tightening internal control systems to stem the tide of porous information which was available to service providers.

The current cases against the Department span from 2008-2012. Due to improved and tight controls as a result of the audit turnaround strategy and action plan there were no massive litigations against the Department for the transactions and contracts concluded over the 2013/14 and 2014/15 financial years, save for a minor few which are a s a result of the department's financial situation which delayed in the payment of service providers. We are working on these without resort to courts.

We are currently creating capacity for our contract management office. It will now be an integral part of Legal Services to ensure proper and professional handling of contracts in accordance with the stipulations of Law of Contracts.

This will ensure close monitoring and compliance and that contracts are not above the stated amount and further that contractors do not vary contracts for the purposes of enrichment. This intervention minimizes the risk of collusion and instils efficiency and effectiveness.

The department is also engaged in the process of recovering monies owed or possible individuals that could be pursued in person based on their actions during this period.

## BATHO-PELE AND STAKEHOLDER RELATIONS

Honourable Speaker, the Batho-Pele White Paper on Transforming Public Service Delivery places a responsibility on all National and Provincial Departments to improve public service delivery matters not only to individual users of services, but also to whole communities.

For the past 11 months of my deployment in the Department I have come to a painful realization that the Department has limited resources, both human and financial to deliver on vast competing needs of the North West communities.

This challenge is understandable but the manner in which the Department goes about community



liaison, stakeholder management remains deficient.

Today I stand before you to announce that as part of improving public service delivery, the Department of Public Works and Roads is putting in place a structure that will concentrate on Stakeholder Relations whose aim is to ensure active participation of the wider community, including the rural communities, NGOs, NPOs, traditional authorities, private sector.

The main functions of this Stakeholder Management Unit is to propagate departmental programmes and plans, canvas communities to make inputs to departmental plans, inform communities about service delivery, to contribute towards efficiency, to provide communities with a direct platform for regular interaction with the department.

#### **PROGRAMME 1: ADMINISTRATION ORGANIZATIONAL STRUCTURE**

Filling of critical post especially in the finance and technical fields remains a priority for the Department in order to address capacity issues. The attraction and retention of professional technical skills remains a challenge for the Department, prompting a headhunting approach as a way to recruit personnel with requisite skills to address technical capacity problems.

This process was sanctioned by both National and Provincial Treasury; North West Provincial EXCO and the Department of Public Service and Administration.

There is massive improvement in the field of supply chain, resulting in strict internal control systems, reduction in litigation arising from contractual and procurement disputes. This is a result of the risk management systems and a Risk Committee that mitigates the Department's risk and identifies and addresses weaknesses in our systems.

In line with yet another pivotal pillar of Special Programmes, the Department embarked on a moral regeneration and social cohesion programme for the Expanded Public Works Programme beneficiaries in all four districts.

A Director Property Management, who is also female, was appointed. This is in line with our programme to ensure gender parity and equity as the implementation of the recommendations of the Commission on Gender Equality. Chief Engineer: Roads Planning & Design; and Chief Engineer: Infrastructure Delivery.

#### **PROGRAMME: 2 CHIEF DIRECTORATE BUILDING INFRASTRUCTURE**

Under this programme Madam Speaker the

following projects are planned for the current financial year. Some of these project are implemented on behalf of client departments.

- ⊙ Construction of 2 pharmacies for on behalf of the Department of Health 2015/2016. The projects are in design stage and will be completed in the current financial year.
- ⊙ Construction of 23 new schools on behalf of the Department of Education and Sport Development. These projects are in various stages of design and construction.
- ⊙ Construction of the Taung Old Age Home and (2) Taung Inpatient Treatment Centres on behalf of the Department of Social Development.
- ⊙ Construction of:
  - 10 X Libraries
  - 4 X recreational Centres;
  - 5 X Traditional Affairs Offices
- ⊙ Construction of three Vehicle Testing Centres in Mogwase, Taung and Ganyesa.
- ⊙ Construction of the Mafikeng Traffic College
- ⊙ Construction of new Weigh Bridges in Lichtenburg and Vryburg.
- ⊙ The new envisioned Head Office projects is in design stage with a budget for consultants only of R2 million.

The total budget of the building infrastructure of the department out of a budget of R 380 780 000 is compounded as follows:

Building Infrastructure Projects : **R 303. 823m**  
 Facility Management Projects : **R 38. 297m**  
 District Operations : **R 38.660m**

Amongst others the following projects will be implemented out of this budget:

- ⊙ Pilanesberg Airport Runway R15 million has been allocated for 2015/16 of a total budget of R 50 million.
- ⊙ Moretele Office Park Generator, sewerage systems, roads and carports will be built at the Moretele Office park to the tune of R37 million, of which R15 million has been availed.
- ⊙ Four Brick making plants are being created in the four districts, one in each district. The plant has been purchased and delivered.
- ⊙ A further R 8 million has been budgeted for the 2015/16 financial year for material.
- ⊙ The Extension of Legislature phase 2 has a total estimate of R 135 000 000 with R 15 000 000 budgeted for 2015/16.
- ⊙ The rehabilitation of the roads building at our Head Office is progressing well. The project cost is R 61 million, with R 15 million budgeted for 2015/16.



- ⊙ Three Data Towers will be constructed in Dr Kenneth Kaunda District for a total cost of R7.5 million.
- ⊙ A bridge between Manthe and Taung will be constructed, amounting to R84 million, of which R43 million has been budgeted for.
- ⊙ As a contribution to energy efficiency and the green economy and to relieve the national grid of the heavy burden that accounts for load shedding, we shall be auditing all government offices in terms of energy efficiency to ensure that we are complaint to the green economy initiatives.

Madam Speaker, as part of ensuring that we deliver as per the expectation of the departments whose projects are delivered by Public Works and Roads we will explore possibilities of leveraging the signed memorandum of understanding between the Development Bank South Africa (DBSA) and the provincial government whereby the Department will utilize the skills and professionalism of the DBSA as infrastructure programme managers.

Our approach will be more of co-operation than taking over. Departments that have infrastructure units like Health and Education will still play a critical role in determining the needs and will jointly work with the Department for the achievement of these goals.

As part of enhancing better performance and proper organizational response by the Department as instructed by both the Standing Committee on Public Accounts and the Auditor General, we will have a Departmental study tour in June 2015 to Gauteng. National audits indicate that Gauteng and the Western Cape are best performers in this regard.

This study tour will also include Education, Health and Treasury infrastructure officials.

#### **FACILITIES MANAGEMENT: PROVINCIAL IMMOVABLE ASSET REGISTER**

The Department launched the Immoveable Asset Register Enhancement Project phase 2 in October 2014, after the success of phase 1 which addressed several challenges raised by the Auditor General (AG). The result of the project (phase 1) was an improvement from a disclaimer to qualified audit opinion.

Phase 2 of the Immoveable Asset Register Enhancement Project is addressing:

Quarterly Deeds refresh, linking of remaining land parcels to structures, complete verification of information obtained from various stakeholders, assist in regularising arrangements for state domestic facilities (SDFs) situated in non-state land to name a few.

The Department successfully migrated its Excel based Immovable Asset Register to the National Department of Public Works developed iE-Works Immovable Asset Register during January 2015.

The current iE-Works system is fully BAS-interfaced thus allowing for management of property leases, payment of utility-services (water & electricity) and payment of rates taxes on state-owned provincial properties.

#### **COMPLIANCE TO GIAMA AND NW-IDMS**

Condition assessment of facilities is on-going and 127 properties were assessed during the financial year 2014/15. The project is a multi-year programme running across the MTEF period until all the facilities are assessed.

#### **PROPERTY RATES AND TAXES**

We continue to support municipalities through payment of rates and taxes as a source of revenue. We are pleased to report 100% success in the payment of rates and taxes amounting to two hundred and twenty-six million nine hundred and ninety one rand (R 226 991m).

The drive behind this success is the department's engagement and information sharing with municipalities including physical verifications, improved billing, rates policies and tariff

structures.

#### **MANAGEMENT OF PROVINCIAL LEASE PORTFOLIO**

The Department has a total provincial portfolio of 1058 leases of which 951(90%) are residential accommodation leases, and 107 (10%) are commercial leases. The majority of these leases are residential properties that have reached redundancy and have become obsolete and superfluous to the domestic needs of the State.

The Department is in the process of disposing redundant stand alone residences, and retaining a few that is earmarked for service delivery such as accommodation for political office bearers and senior management staff as well as institutional accommodation.

An audit of what to retain and what to dispose of has already been conducted. The disposal of these will assist the state realise considerable savings in terms of maintenance costs and rates and taxes.

#### **SMALL TOWN LEASE REQUIREMENTS**

Given the decentralisation trend of government services to our towns and villages, North West Government now faces a challenge of scarcity and quality of office accommodation at these locations. In response to this challenge the



Department is developing a database of existing and potential office accommodation service providers who after registration will be called upon on to provide accommodation on a competitive quotation basis.

The purpose of this approach is to obtain market information in order to construct service delivery facilities or encourage existing and potential developers to assist government in providing same in our outlying small towns and villages where the majority of the citizens in this province are located.

The Department will still embrace the open tender method of lease acquisition where conditions allow. This approach will enable the department to acquire equally good facilities at competitive tariffs and within reasonable lead time.

### PROGRAMME 3: T R A N S P O R T INFRASTRUCTURE

Madam Speaker despite our concerted and earnest efforts to invest in quality transport infrastructure we are swimming against the tide. Let me take from Karl Marx when he said:  
*"The question whether objective truth can be attributed to human thinking is not a question of theory but is a practical question. Man must prove the truth — i.e. the reality and power, that this-sidedness of his thinking in practice.*

*The dispute over the reality or non-reality of thinking that is isolated from practice is a purely scholastic question. The materialist doctrine concerning the changing of circumstances and upbringing forgets that circumstances are changed by men and that it is essential to educate the educator himself.*

*This doctrine must, therefore, divide society into two parts, one of which is superior to society. The coincidence of the changing of circumstances and of human activity or self-changing can be conceived and rationally understood only as revolutionary practice"(Marx thesis on Feuerbach).*

As the saying goes, **"The past we inherit and the future we create"**, the current challenges in our Transport infrastructure are as a result of how the roads infrastructure projects were handled from planning, budgeting, advertisement and final adjudication of the projects in 2008-2010.

This also is the period whereby 90% of our legal claims originated from and unfortunately as government we are successors in law of each administration.

Though the 5th Administration is not the faulty or guilty party in these matters, surely we are expected to act in accordance with the principles of good governance and develop mechanisms to

mitigate the impact of these challenges for the future.

This is the basis why Exco through Premier took a resolution that with effect from May 2015-Treasury and the Department must have a joint effort on developing corrective measures in order to curb the impact of this inherited financial situation.

The Department will study the Price WaterHouse Coopers PWC (2013) report and ensure that all its recommendations are acted upon.

With this we will present the report and the recommendations to the Premier, SCOPA and the Portfolio Committee within June 2015.

The condition of the road network has deteriorated, compounded by inadequate maintenance. Findings of the latest study calls for a R8.78 billion injection to address the condition of paved roads, R5.861 billion to improve the condition of unpaved roads and R174 million for structures.

The total budget required for an improved world class road infrastructure and to address the condition needs of the province is R14.814 billion.

The picture is not rosy Madam Speaker and given

the R260m of accruals which impact on the 2015/16 financial year, for the 2015/16 financial year, no equitable share has been allocated for the construction of new roads.

We are indeed swimming against the tide. Madam speaker, we have also inherited a dangerous and wrong mentality on the transport infrastructure. In this regard in our Province our communities only recognize improved road traffic network as being upgrading from gravel to tar only.

This has resulted in a situation where even roads that don't necessarily need a tar but only proper gravelling or paving are accepted to be of good standard only when they will be tarred.

As the Premier argued in his inaugural SOPA in 2014, there is a necessity to de-conventionalize our government work and ensure that delivery in our province is approached on the basis of the new philosophies and approaches.

The insufficiency in the budget allocation has a negative impact on the Premier's announcements, the construction of roads in each of the municipalities and the road asset management assessments.

As we push against this tide, we will rely on the Provincial Road Maintenance Grant for the maintenance of the road network.

As we push against the tide whilst confronted by an iceberg, we are in discussion with the National Treasury and the national Department of Transport to resolve the budget issue, in particular allocation in terms of the Division of Revenue Act.

Lack of supervision due institutional capacity and acts of collusion between consultants and contractors has resulted in shoddy and poor workmanship on road projects.

We wish to issue a stern warning to all contractors and service providers that punitive measures will be taken against those responsible.

A report on each of these will be compiled for blacklisting across the entire country. The same goes for officials who approve payments without inspecting and verifying the quality of work.

With effect from this financial year, we will introduce a process of independent monitoring and evaluation of variation orders.

More strides were made in the area of road maintenance through the Provincial Road Maintenance Grant to address the ailing road infrastructure and the pervasive problems of potholes.

The following projects were successfully

completed during 2014/2015: fog-spray and reseals projects (16), rehabilitation projects (9) and (7) upgrading from gravel to tar projects.

We are proud to announce Madam Speaker that the 2014 RAMS report indicated that the condition of paved roads increase for a category of good to a category of very good rose from 1% in 2013 to 7% in 2014, representing an improvement of 6%.

Despite this feat, we acknowledge that a lot still needs to be done and this will be done at a very aggressive pace.

In order to promote mobility and access to socio-economic activities a total budget allocated for roads amount to R788m which is part of the Provincial Road Maintenance Grant.

### **Road Agency**

As a way for accelerated road infrastructure delivery, a Road Agency model is being designed and aligned to the North West Roads Agency Bill. This model entails organisational structure, technical capacity and skills, human resource, financial capacity and most importantly the funding model.

This will be finalised during the course of this financial year and EXCO will take a decision on an appropriate model going forward.

The following roads will be rehabilitated:

- ⊙ Rehabilitation of deteriorated sections of Road P48/1 between Welbedacht and Swartkopfontein (Botswana Border) in the municipality of Ramotshere Moiloa.
- ⊙ Rehabilitation of 40km stretch of the road D933 and D2095 between Lichtenburg to Gelukspan in the municipality of Ditsobotla through Dudfield and Sephaku mines.
- ⊙ Rehabilitation of road D408 between Itsoseng and Goedgevonden through Springbokpan.
- ⊙ Rehabilitation of deteriorated section of road P28/1 between Mahikeng and Lichtenburg (Rooigrond area).

Other Maintenance roads projects to be done include:

- ⊙ Rehabilitation of Road P3/4 from P56/1(R503) to P32/1 and P3/5 in Klerksdorp and of SANRAL limit of section.
- ⊙ Rehabilitation of sections of Road P123/1 in Haartebeespoortdam to Border with Gauteng at Phelindaba.
- ⊙ Pothole Patching in Road D415 in Boroathamadi (Gopane), phase 2.
- ⊙ Patchwork on Road P183/1 between Lichtenburg and Deelpa phase 2
- ⊙ Rehabilitation and patchwork of

Road D826 between Koster and Road P20/3 (Ventersdorp – Rustenburg Road).

- ⊙ Rehabilitation of sections of Road P47/3 between Swartruggens and Ventersdorp.
- ⊙ Pothole Patching on Road P124/1 to end of Tar.
- ⊙ Rehabilitation and Patchwork on Road D1382 between Brits and Letlhabile up to Hebron.
- ⊙ Pothole Patching on Road D1256 between Deelpa and Ottosdal.
- ⊙ Rehabilitation of sections of Road D414 between Disaneng and Tshidilamolomo.
- ⊙ Rehabilitation of sections of Road P152/1 from N18 (Setlagole – Delareyville).
- ⊙ Pothole patching on Road D136 from Rooigrond to Burhmansdrift to Ramatlabama Border Gate
- ⊙ Pothole patching on Road D608 between Maubane and Bosplaas
- ⊙ Improvements of Vaal Reef intersection on Road P137/1 in Orkney
- ⊙ Rehabilitation of Road D618 and D619 at Gamatlou next to De Wildt station in Garankuwa



The Department is working with the Traditional Authorities, Municipalities, Treasury, Premiers Office, Portfolio Committee and communities of the following roads:

- ⊙ Road D520 from Makolokwe to Bethanie under Rustenburg Municipality in Bojanala District- this project was advertised and not awarded due to unavailability of funding.
- ⊙ Road D2279 from Khunotshwana to the N4 in Tweefontein under the Ramotshere Moiloa municipality in Ngaka Modiri Molema district. This project forms part of the SOPA pronouncement.
- ⊙ Road D402 from Deelpan to Manamolela in Atamelang under Tswaing municipality in Ngaka Modiri Molema District.
- ⊙ Road P66/1, D614, Z614 Z619 and D639 from Kgomo-Kgomo to Lebotlwane to Tlholwe to Ga-Habedi to Moretele under Moretele municipality in Bojanala District.
- ⊙ Road D3462 from Dithakwaneng to N14 under Naledi Municipality in Dr RSM District (Vryburg to Kuruman road).
- ⊙ Road D221 from Maphoitsile to Mmanokwana under Greater Taung Municipality in Dr RSM District- awarded by a court order.

- ⊙ Road D413 from Setlopo to Meetmekeer under Mahikeng Municipality
- ⊙ Ventersdorp weighbridge under Ventersdorp Municipality
- ⊙ Road D327 from Ganyesa to Madinonyane under Kagisano/Molopo Municipality
- ⊙ Road D3492 from Morokweng to Bonabona under Kagisano/ Molopo Municipality
- ⊙ Road D313 from Morokweng to Tseoge under Kagisano/ Molopo Municipality
- ⊙ Road D514 from Bojating to Pylkop under Moses Kotane municipality
- ⊙ Road Z483 from road D40 to Nooitgedacht
- ⊙ Road Z422 from Mmabatho Unit 2 through Lokaleng, Magosane to Tlapeng.

We will work together with the affected communities and ensure that all possible funding options are explored with the aim of proceeding with those that work had already started on, appointing consultants for those that work had not yet started on, proceed with appointments of contractors for those that consultants have finished the work of designs.

With effect from 01 June 2015, the department will develop a programme and start

engagements with all affected communities whilst internally engaging with all options that The Honourable Premier and Exco have resolved on which options include but not limited to:

- ⊙ The Department making a motivation on the necessity to receive additional funding from the National Treasury (which motivation has already been made and our Provincial Treasury is handling this process).
- ⊙ Joint diagnostic assessment and proper recommendations on necessary intervention to be adopted by Exco on the funding and operational model for the Transport Infrastructure Programme (this being done as part of ensuring the joint working relationship between Treasury and the Department on the transport infrastructure programme)
- ⊙ Explore any possibility of funding through state development agencies, guided by the PFMA and informed by the necessary capacity of the state to afford within the current constraints of budgetary reductions nationally.

We have taken a decision to ensure that 30% of expenditure on goods and services is linked to cooperatives inclusive of roads and buildings maintenance and construction, landscaping, cleaning, sewing and work wear where each and every cooperative would be allocated work for a minimum period of 3 years.

#### **PROGRAMME 4: EXPANDED PUBLIC WORKS PROGRAMME**

The strategic goal of the Expanded Public Works Programme is the creation of work opportunities for the poor and unemployed through the delivery of goods and services.

This means that EPWP is not contract employment, EPWP is not temporary employment and EPWP is not entry level to fulltime employment.

This should be understood by society.

This programme is another social security plan meant to assist those not active in the labour market with stipends and work experience whilst actively looking for fulltime or some permanent employment opportunities. Liberals usually argue that it is not the responsibility of the State to create employment, and the African National Congress's correct conviction is that South Africa is a developmental State which cannot be reduced to a level of spectatorship in the field of economic development.

We cannot Madam Speaker become a laizess fair State in a sea of mammoth challenges. Our freedom means economic freedom and not living on the crumbs and idly watching on the periphery of the economy where only a few benefits.

As government we have observed that this programme is sometimes abused, and in this regard the Premier and Executive Committee have resolved that with effect from May 2015 all EPWP participants should be properly recruited through the involvement of ward councillors, and ward committees and traditional authorities.

The Department together with the State Law Advisor will develop and circulate a uniform EPWP contract to be signed and used across the Province whenever there is an intake of EPWP.

In order for this programme to succeed Madam Speaker it must be transparent and remain true to its strategic goal.

As a way of ensuring compliance with the labour laws of the Republic all beneficiaries are enrolled with the Unemployed Insurance Fund (UIF). Effective from the 1 June 2015 it is therefore compulsory that all beneficiaries contribute to UIF.

In this context, creation of work opportunities is viewed as a primary means through which economic growth and transformation can occur and consequently reduce dependency on the welfare system.

Madam Speaker it gives me pleasure to announce here today:-

That for the during 2014/15 financial year, the Department managed to create:-

- ⊙ 23,312 work opportunities;
- ⊙ 14,587 work opportunities went to the youth (that is people between the ages of 18 and 35;)
- ⊙ 13,231 work opportunities went to women;
- ⊙ 30 work opportunities went to people with disabilities.

In regards to the 2015/16 Financial Year, I am happy to inform this house that the North West Provincial Expanded Public Works Programme target is **45,051**.

Provincial Departments are expected to create **28,716** work opportunities and while municipalities are expected to create **16,424** work opportunities.

The Infrastructure Sector is expected to contribute **30,723** work opportunities at both provincial and municipal levels; while the Social Sector is expected to contribute **10,578** work opportunities and Environment and Culture Sector is to contribute **3,750** work opportunities.

The Department has found itself in a difficult predicament where it had to release over 18 000 EPWP beneficiaries from October 2014 to March

2015 due to contracts that had expired. This programme is also an inheritance programme almost like the roads backlog, and this programme contributed negatively on the 2013/2014 accruals because the Department had to have an amount close to R35 millions per month to distribute as stipends and logistical arrangements.

Madam Speaker, I must explain on behalf of the Provincial Government that this decision only applied to those beneficiaries whose contracts had expired.

In an attempt to mitigate this eventuality, the Provincial Executive Council resolved that the Department must assist these EPWP beneficiaries with an Exit Strategy that would at most avert the likelihood of poverty and unemployment.

The proposed optional and voluntary Exit Strategy has two legs, namely Co-operatives Development Programme and Further Education and Training (predominantly SETA accredited skills).

### **EXPANDED PUBLIC WORKS PROGRAMME'S EXIT STRATEGY**

The Executive Committee availed a budget of R102 million for funding of the EPWP Exit strategy up until 31 March 2015. As the basis to

prove that this 18 000 was a ticking time bomb, there were no proper records and in some instances no proper contracts signed with the individuals and in some cases there were disputes on authenticity of the available contracts.

Because the State cannot take a decision only on the number without attaching names and socio-economic status of beneficiaries, we had to engage on profiling of all the affected individuals.

Profiling of EPWP beneficiaries as follows:-

1. 16281 profiled, out of 18 000
2. 6 249 interested in Cooperatives
3. 2497 interested in training
4. 7535 interested in continued employment

### **FURTHER EDUCATION AND TRAINING APPROACH AND INTERVENTIONS**

- ⊙ Presently we are in a position to place 1502 on Learnerships and Apprenticeships both from DPWR (1065) and Services Seta (437)
- ⊙ A total of 1502 EPWP beneficiaries have been placed on the above stated training interventions as at 1st April 2015 as part of the National Youth Service and would be paid a stipend.
- ⊙ We will place these beneficiaries with institutions for further education and training both private and public sectors;



- ⊙ We will also provide dedicated support, mentorship and case management to every beneficiary through experts that would offer the services on an ADHOC basis
- ⊙ These additional services would have to depend on the ICT so as to cut costs and improve coordination, communication and monitoring

### SETA COMMITMENTS:

In this programme, the department has engaged various Setas to provide resources for further education and training. The following Setas have made available resources as outlined hereunder.

#### ⊙ **SERVICES SETA**

The Service SETA has made available R 15 million for training of 437 EPWP beneficiaries in various learnerships, apprenticeships, recognition of prior learning and internships.

Madam Speaker, it is important to note that the Training and Development (Skills) component of the Exit strategy will have enough funding from both SETA's and internal Departmental budget.

### **CONSTRUCTION AND EDUCATION TRAINING AUTHORITY (CETA) SETA**

The Department together with the Acting Director General are engaging with the CEO and

the Board of the CETA on the basis of the CETA commitment which amounts to R44 333 000.00 for a total of 2 103 learners in the following categories (Bursaries- 100, Internships- 30, Trade Testing- 470 and Recognition of Prior Learning- 400).

### **CO-OPERATIVES DEVELOPMENT PROGRAMME:**

The second optional and voluntary programme offered to the 18 000 EPWP participants is the Co-operative Development programme, and benefits for Co-operatives includes but not limited to:

- a. Create and develop income-generating activities and sustainable livelihoods
- b. Develop the culture of solidarity and shared vision
- c. Increase savings and investments
- d. Improve social and economic well being

As indicated above, 6 249 voluntarily confirmed their interest in Cooperatives Development Programme and their individual co-operatives choices are as follows:

1. Public Works and Roads related Co-operatives
  - ⊙ Brick Making co-operative: 472 beneficiaries
  - ⊙ Furniture

⊙ Repairs and Manufacturing co-operative: 145 beneficiaries

- ⊙ Road and Building Maintenance Co-operative: 274 beneficiaries
- ⊙ Security Co-operative: 421 beneficiaries (have taken a decision to link these beneficiaries with our PWR security contracts)
- ⊙ Landscaping Co-operative : 231 beneficiaries
- ⊙ Cleaning Co-operative : 746 beneficiaries
- ⊙ Sewing/Work wear co-operative: 288 beneficiaries
- ⊙ The total for Public Works and Roads is 2 298 Beneficiaries

## 2. Co-operatives related to other Departments

- ⊙ Agricultural (Mechanization, Animal Husbandry, Poultry and Piggery) : 1 769 beneficiaries
- ⊙ Care-giving co-operative : 79 beneficiaries
- ⊙ Bakery Service Co-operative : 647 beneficiaries
- ⊙ Housing Construction Co-operative : 179 beneficiaries
- ⊙ Hair Salon Co-operative : 95 beneficiaries
- ⊙ School Manufacturing Stationery co-operative: 92 beneficiaries
- ⊙ Waste management and recycling co-operative : 36 beneficiaries

⊙ Car wash co-operative: 166 beneficiaries

⊙ Linen and Laundry co-operative: 566 beneficiaries

⊙ The total other Departments is 3 629 Beneficiaries

Madam Speaker it should be important to note that the co-operative development programme will rely for its success on a co-ordinating incubation program and take off agreements that different departments must sign with the affected cooperatives. It will also be necessary that the procurement policies are amended to incorporate procurement from cooperatives.

## THE FUTURE OF THE INDIVIDUALS WHO PREFER TO REMAIN WITH EPWP:

As reflected in the profiling it has emerged that the number of beneficiaries who have opted not to be part of either co-operatives or training is 7535.

These will only be absorbed when contractor development projects resume, and their contracts and stipends will be linked to the duration of individual projects.

PRIORITISED COOPERATIVE AND FINANCIAL IMPLICATIONS:

Type of Cooperative	Number of Participants	Number of Cooperatives	Total Participants	Date
Sewing	25	1 per district	100	June 2015
Brickmaking	50	Itsoseng	200	
Landscaping	50	1 per sub-district	800	
Cleaning	30	1 per sub-district	480	
Laundry	20	1 per district	80	
Car wash	15	1 per district	60	
Construction	30	1 per district	120	
Maintenance	50	1 per district	200	
Salons	50	1 per district	200	
Production Cosmetics	15	1 per province	15	
Furniture	25	1 per district	100	
TOTAL			2,355	41 467 770.00

TRAINING INTERVENTIONS FUNDED FROM DEPARTMENTAL BUDGET

TRAINING CATEGORIES	DESCRIPTION	DISTRICTS				NO	DATE
		DRSM	BOJ	NMM	DKK		JUNE 2015
National Certificate Welding Application	Learnership	50	50	50	50	200	
National Certificate Gaming Operations	Learnership	13	13	12	12	50	
National Certificate Road Construction	Learnership	50	50	50	50	200	
General Education & Training	Learnership	25	25	25	25	100	
	Learnership	25	25	25	25		
Building & Civil Construction	Learnership	25	25	25	25	100	
National Certificate Contract Centre	Learnership	25	25	25	25	100	
Bricklaying	Apprenticeship	26	26	27	26	105	
Carpentry	Apprenticeship	26	26	27	26	105	
Welding	Apprenticeship	26	26	27	26	105	
TOTAL		266	267	266	266	106	

TRAINING INTERVENTIONS FUNDED BY THE SERVICES SETA

TRAINING	DESCRIPTION	DISTRICTS				NO	DATE
		DRSM	BOJ	NMM	DKK		APRIL 2015
Business Admin	Learnership	12	12	13	13	50	
Call Centre	Learnership	13	13	12	12	50	
Cleaning	Learnership	12	12	13	13	50	
New Venture Creation	Learnership	16	16	18	17	67	
Boiler Making	Apprenticeship	08	08	07	07	30	
Painting	Apprenticeship	07	07	08	08	30	
Plumbing	Learnership	08	08	07	07	30	
Welding	Apprenticeship	07	07	08	08	30	
RPL	Apprenticeship	13	13	12	12	50	
TOTAL						437	

PROVINCIAL SKILLS CENTRE

- ⦿ The Services Seta has made a commitment to purchase a Building Facility in 74 Boom Street in Klerksdorp where the North West Provincial Skills Centre would be accommodated. The Services SETA has committed an amount of R6 million for the purpose of purchasing the identified building.
- ⦿ The Department of Public Works and Roads is expected to ensure that the Provincial Skills Centre is registered and accredited.
- ⦿ In addition the Department of Public Works and Roads is required to second current vacant posts to the Provincial Skills Centre inclusive of Provincial 1 x Centre Manager, 3 x Training Officer at Artisan Level and Administrator.
- ⦿ These positions would be filled not later than June 2015.
- ⦿ The Provincial Skills Centre is expected to be operational in June 2015 and

would be launched by the Premier and Minister of Higher Education and Training in June 2015 as part of the June Youth Month Activities.

## CONTRACTOR DEVELOPMENT PROGRAMME

Last year I informed this honourable house that the Department would be implementing a contractor development programme. The new decision of the department is that contractor development will be implemented based on the B5 lists of both Roads and Public Works Infrastructure.

The Department has also resolved that the current dispute between the Department and Aurecon as programme managers in the Contractor Development programme should not compromise the programme of Vukuphile Contractor Development.

As part of oversight and monitoring I have met beneficiary contractors to assess how the programme progressing and impacting their lives. Upon those engagements I came to the following conclusions and directive:-

- ⦿ The Contractor Development Programme in being reviewed and aligned to the departmental line function programmes and budgets;
- ⦿ The programme must have clear deliverables and stages of progression by contractors linked to the Construction

Industry and Development Board (CIDB) contractors registration and grading system;

- ⦿ The contractor development programme in the main must benefit directly contractors rather than intermediaries;
- ⦿ The contractor development programme must be for a minimum period of 3 years and
- ⦿ Contractor Development Programme must have a dedicated financial support mechanism or programme that is fair and reasonable to contractors.
- ⦿ All buildings and roads programme must ensure that 30% of all funded projects are made available to contractors that are part of this contractor development programme. This is inclusive of all departmental programmes namely War on Potholes and Dedicated Maintenance of Rural Roads which must have a strong bias towards emerging contractor development programme and cooperatives development programme.

## SOPA PRONOUNCEMENTS:

In the previous year and current State of the Province Address most sceptics raised their doubts about the Premier's commitments made during those periods.

The Premier announced that Setsokotsane will twirl and bring radical and accelerated changes to the province to reposition the Province into a world class province and to attract much needed investment and to stimulate the regional economy and to improve



tourism as a job creation key driver.

I am proud madam Speaker, that the development of both Pilanesburg and Mafikeng Airports are well under way. This is attested by the first flight of South African Express. I wish to congratulate Hon Molapisi for the massive feat.

The Mahikeng Airport, with the second largest runway after the Upington Airport in the Northern Cape has been allocated an amount of R30 million for the upgrading of the runway and safety pads in compliance with the Airports Company of South Africa's Airport standards.

The brick manufacturing plants have been established in the four districts as part of the rural economic strategy and EPWP exit strategy. An amount of R8 million has been set aside for this purpose.

This is for the establishment of a big commercial and multi-purpose brick manufacturing plant in Itsoseng. This plant will be used for the brick paving programme for the Itsoseng Township roads and storm-water programmes which will commence in the beginning of 2016.

Low Residence will be converted into the Premier's offices as part of the government precinct intended at changing the landscape of Mahikeng and to create a one stop shop centre.

The Mmabatho Convention Centre will be converted into an International Convention Centre. A partnership with the private sector will be concluded

for the construction of a hotel which will be linked to the Convention Centre.

This would bring much needed investment and will witness the demolishing of the Mafikeng Stadium to give room for the transformation of the existing space for a government precinct adorned by a hotel and a world class international convention centre.

The Legislature Phase 2 will be expanded to a tune of R15 million for the 2015/16 year and R120 million during the two outer years.

The war on potholes programme has been intensified for the reduction of potholes.

Immediately after the acquisition of the necessary yellow fleet, approval of the budget for the material, the Department will run a dedicated Setsokotsane service with the four available JET Patchers for potholes and a dedicated programme for gravelling and re-gravelling of roads with priority being farming access roads and rural roads to ensure that even un-tarred roads would at least be trafficable.

### **CORRUPTION**

The Greek philosopher, Aristotle said, "Office should be a burden, not a source of profit". The fight against corruption resides at the apex of the government's priorities.

Madam Speaker, the scourge of corruption is fuelled by collusion between business and officials. This leads to leakage of information, the modern day "insider trading". This gives rise to litigation, stalling

plundering of State resources through information leakage and collusion.

This denies society much needed services and is damaging the image of the Department and eroding stakeholder confidence.

We urge all those that are involved to desist, otherwise anyone involved and found will be dealt with harshly.

2015/16 BUDGET:

Honourable Speaker, I hereby present to you the Department of Public Works and Roads budget for 2015/2016. This budget represents a decrease of 15.6% compared to the financial year 2014/15 budget. As per the requirements to comply with the pronouncement by the Premier in the SOPA, 60% on the budget allocation is directed towards the village, township and small dorpi economic approach.

2015/16 BUDGET SUMMARY		
PROGRAMME	APPROVED BUDGET 2014/15 (R'000)	APPROVED BUDGET 2015/16 (R'000)
ADMINISTRATION	189,677 (R'000)	219,477 (R'000)
PUBLIC WORKS INFRASTRUCTURE	1,027,084 (R'000)	994,161 (R'000)
TRANSPORT INFRASTRUCTURE	1,253,255 (R'000)	1,229,103 (R'000)
COMMUNITY BASED PROGRAMME	569,895 (R'000)	123,633 (R'000)
TOTAL	3,039,911 (R'000)	2,566,374 (R'000)

CONCLUSION

We wish to express our gratitude to:

- ⦿ The Standing Committee on Public Accounts

- for its leadership and support in creating capacity for the Department for improved and accelerated service delivery, clean governance and accountability;
- ⦿ The Portfolio Committee(chaired by Honourable Jeannette Dibitso-Nyathi) for its role in ensuring that we fully execute our legislative mandate.
- ⦿ Our strategic partners, consultants, engineers and service providers whose skills and services advance our cause;
- ⦿ The legal fraternity as led by the State Attorney;
- ⦿ The media for being the eyes and ears of society;
- ⦿ The Premier and EXCO for their unwavering support and leadership;
- ⦿ The Auditor-General for ensuring clean governance and efficient and effective administration and improved financial management, accounting and transparency;
- ⦿ Our employees who have been the spine and pillar in driving our vision and mission for reconstruction and development;
- ⦿ The two recognized unions, Nehawu and Sasawu for their contribution in the peaceful labour relations within the Department;
- ⦿ The Acting Head of Department and Departmental Management for their visionary and strategic leadership;
- ⦿ My office staff for their hard work.
- ⦿ The African National Congress, and the Alliance Provincial Leadership for political guidance;
- ⦿ My family, especially my wife (comrade

Our mandate Madam Speaker is based on a vision for the delivery and maintenance of quality infrastructure for sustainable growth and development.

With this budget we begin another journey towards making South Africa a better place to live in.

Madam Speaker let me dedicate this budget speech to comrade Selby Mayise the former National Union of Mineworker Regional Chairperson for Carltonville. Comrade Mayise died after suffering a brutal attack by mineworkers in an NUM rally in Westdriefontein.

The rally was called in order to clarify the general confusion created by the amendments to the Pensions Act. Comrade Mayise was in the 1999 ANC list for the National Assembly.

The reason why I dedicate this to Comrade Mayise is because this attack occurred on the 12 MAY 1999.

Madam Speaker I hereby table the budget vote of the Department of Public works and Roads.

THANKYOU.

1. **Identify the problem.** The first step in the problem-solving process is to identify the problem. This involves recognizing the issue, understanding its scope, and determining its impact.

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1. **Identify the main components of the system.** What are the inputs, outputs, and internal processes?

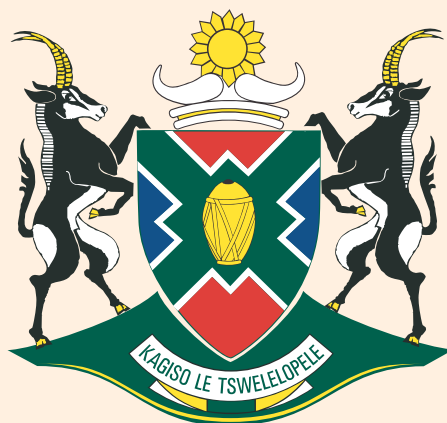
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