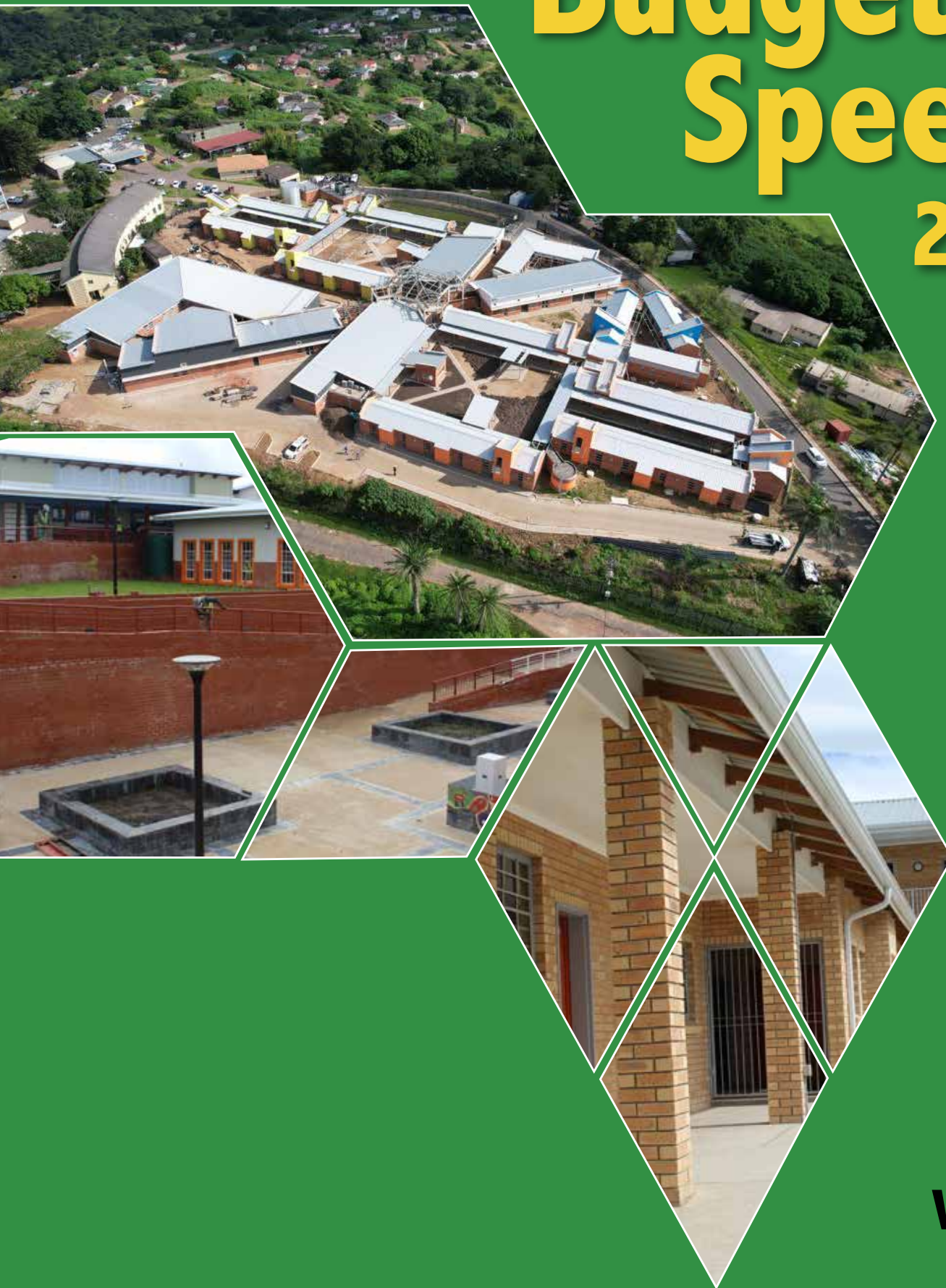




KWAZULU-NATAL PROVINCE

**PUBLIC WORKS
REPUBLIC OF SOUTH AFRICA**

Budget Speech 2023



Vote 14



BUDGET VOTE 14

DELIVERED BY THE HONOURABLE



MEC FOR PUBLIC WORKS

DR NTUTHUKO MAHLABA

DATE: 19 APRIL 2023



Honourable Speaker of the Provincial Legislature, N. Boyce

Honourable Premier Nomusa Dube-Ncube

Chairperson

Honourable Chief Whip James Nxumalo

Deputy Speaker

Chairperson of the Public Works Portfolio Committee

Members of the Provincial Legislature

Mayors and Councillors of Local Government

Director General and Heads of Departments

Distinguished Guests

The people of KwaZulu-Natal following us in various media platforms



Members of the media

Good afternoon,

Madam Speaker,

As a deployed member of the African National Congress, I stand before you in this August House with a sense of profound humility and a heart full of gratitude. Additionally, I continue to be unafraid to declare that the work at hand should be defined by a strong sense of infinite service and an unwavering willingness to serve at the behest of the electorate first at all material times.

As a disciplined member of the 111th year old movement, I cherish, celebrate and commemorate the life and times of our fearless stalwart u-Mama u-Winnie Madikizela-Mandela who once said and I quote,

"I am the product of the masses of my country and the product of my enemy."

Winnie Madikizela-Mandela's desires were solely built on the premise that a calling to serve should be an eternal one and a life-long commitment without broken service. We witnessed and experienced this unparalleled dedication to attending the needs of others until the passing of our gallant stalwart in the month of April.

Madam Speaker, though we fall short in emulating and walking in the footsteps of u-Mama u-Winnie, we, however, unashamedly confirm that the characterisation of the KwaZulu-Natal Department of Public Works is embodied on the cornerstone that its very existence is to make the life of an ordinary South African easy and worthwhile. It is for this reason that we make no apology for wanting to champion the course of improving infrastructure in the most rural parts of the province.

Through our efforts and cooperation with sector departments, this government has brought appropriate infrastructure closer to our people. These unimaginable strides and achievements were once envisioned as pipe dreams by enemies of progress and nay sayers. This ANC led government is forever cognizant that our

sole obligation is not to the few but a lifetime commitment which seeks to ensure that the dividends of infrastructural development accrue to all South Africans.

Furthermore, the party which has deployed me to serve, the people of this province has bestowed upon me a greater task which I have humbly accepted. This task which was adopted during its 55th Elective Conference, entails that as a department, we pledge to prioritize vast and catalytic infrastructure projects. While my organisation continues to hold the hope and trust of millions of ordinary South Africans, it is our sole responsibility as a department working in the built environment to increase the public trust in us, by performing our duties in accordance with the mandate and expectations of the general public. In the same vein, the Premier has directed us “not to leave anyone behind” and to be uncompromising in our efforts to provide essential services as a department.

This fiscal year has been designated by the Department of Public Works as the year to intensify efforts to rekindle, reinvigorate, and reinvent itself working towards being the preferred implementing agent of choice.

When the ANC led government took the reins of governing this province, chief on the agenda was a commitment to spearhead a programme to give opportunities to previously disadvantaged groups to participate in the mainstream economy, create an environment for self-development for Small Medium-Micro Enterprise (SMMEs) and bridge the racial gap in managerial positions in senior departmental units. I can unequivocally state that this department is among the many that heeded the clarion call to develop those that were previously excluded. I borrow a significant quote which profoundly resonates with this bold feat.

It was in the month of April when the former president of the ANC Pixley Ka Seme said that and I quote

“The African has refused to camp forever on the borders of the industrial world; having learned that knowledge is power, he is educating his children.”

This is the call which we as a department heeded, and we have allowed previously disadvantaged South Africans to thrive and succeed in the built environment.

Madam Speaker and Honourable Members, we have themed this year as a year of massive job creation. Bantu bakithi ngifisa ukusho ukuthi sihlela ukwandisa amathuba emisebenzi elinganiselwe **ku 17, 500** esifundazweni sethu. Lamathuba emisebenzi azovela ohlelweni lokwakhiwa kwengqala sizinda. Amanye amathuba emisebenzi angaphezu kuka **135 000** azovela ohlelweni lukaHulumeni olubizwa nge EPWP.

PROGRAMME ONE: ADMINISTRATION - R448, 489 million (25.79%)

The main objective of this programme is to provide strategic leadership and overall management. Other areas of responsibilities include supporting the Executive Authority, building a positive corporate culture and rendering support and advice in terms of human resources and legal matters.

Communication and effective use of digital infrastructure (ICT) are other key focus areas under this programme.

The Programme also ensures monitoring and evaluation (M&E) systems are in place and renders sound financial management services, risk management and supply chain management.

The programme's budget is distributed as follows:

- | | |
|------------------------------|-------------------|
| ● Compensation of employees: | R 346,338 million |
| ● Goods & services: | R 92,242 million |
| ● Transfers & subsidies: | R 6,403 million |
| ● Machinery & equipment: | R 3,506 million |

Strengthening of Service Delivery Capacity

Importantly last year, we committed ourselves publicly to build an image of clean governance, inspired by our determination to ensure that we work with both agility and speed.

We committed to build on the solid foundation we have laid by filling vacant posts as a way of strengthening service delivery. A concerted effort in recruiting the necessary capacity has since yielded significant results.

Honourable Members, in 2022/23 financial year the Department has filled five (5) Senior Management Service (SMS) positions and has also filled forty-four (44) posts in various positions.

The current Human Resource Provisioning Plan contains one hundred and fifty-nine (159) approved and funded posts to be filled in this financial year.

GOOD GOVERNANCE

Madam Speaker, we are strengthening our working relations with Provincial Treasury's Internal Audit and the Premier's Office Forensic Investigations Unit. We continue to ensure consequence management by dealing with cases of fraud and corruption.

Honourable Members, this year our reports indicate that there are seventeen (17) forensic investigation cases and six (6) of these cases have been finalised. Again, we also report satisfactory progress with the implementation of recommendations. Working with all law enforcement agencies, we will continue to investigate fraudulent and corrupt activities without fear or favor, because we are of a strong conviction that each cent of taxpayers must go towards improving the well-being of the people of this province.

Skills Development

In line with the government priority of youth development, creating and maintaining a capable state, the department awarded sixty-eight (68) internal and thirty-nine (39) external bursaries to students pursuing various degrees in the built environment and other fields related to the functioning of the department.

Our internship programme has produced sixty-nine (69) registered professionals. Currently the department has forty-five (45) interns with built environment qualifications, such as engineering and quantity surveying.

Inter-Departmental Accounts

Honourable Members, I wish to report that there is an improvement in the settlement of the Inter-Departmental Accounts by our client departments. However, there are still departments which are lagging, and we humbly request that these departments honour their obligations. This will enable the department to honour payments to service providers within the prescribed 30 days of invoicing.

PROGRAMME TWO: PROPERTY MANAGEMENT - R 839, 476 million (48.27%)

Honourable Chairperson, the purpose of this programme is to provide and facilitate the provision of office accommodation and integrated property management services to clients through planned property life cycle (acquisition, management, maintenance and disposal), optimal utilization of immovable assets, land valuation, maintenance of the fixed asset register, payment of property rates and integrated service delivery.

The programme's budget is distributed as follows:

● Compensation of employees:	R	66,568 million
● Goods & services:	R	56,769 million
● Transfers & subsidies:	R	715,859 million
● Machinery & equipment	R	0,280 million

Immovable Asset Register

Honourable Members, the department manages Provincial Immovable Assets with an estimated value of R20, 5 billion.

The department continues to maintain accuracy and completeness of the Provincial Immovable Asset Register in line with National Treasury minimum requirements. Immovable Asset Register is continuously reconciled with various datasets from other institutions, such as Deeds Office, Office of the Surveyor-General, and Municipal Board, to achieve data integrity.

Property Rates

The department, as the custodian of all provincial government properties is responsible for payment of property rates that are levied on state owned immovable assets by the local municipalities.

The department has for the past five (5) financial years been allocated insufficient budget for property rates. The expenditure rates bill has remained just over a R1 billion each year, whilst the allocated budget has been over R300 million less each year.

The non-payment of the outstanding rates debt results in several municipalities imposing interest on outstanding accounts as well as disconnection of services, which has a negative impact on service delivery in the province.

The non-payment of the balance of the outstanding rates debt is jeopardizing the good relations between the Provincial Department of Public Works and affected municipalities. On this note, we request the Provincial Treasury for continuous support on this matter.

Maintenance of State Buildings

It is a concerning fact that the maintenance of state buildings remains unsatisfactory. The department acknowledges the insufficient budget allocation towards the improved maintenance of state buildings. To this end, the department is working closely with the Provincial Treasury to explore other possible means towards this challenging task.

In terms of the planning going forward, two strategic buildings, namely Esplanade Government Building in Durban and a building in Karrellandman Street in Dundee have been identified for refurbishment through the Public Private Partnership (PPP). It must be noted that this is a lengthy process, however the plan is already in motion to realise this soon.

It must be mentioned that due to inadequate maintenance of these buildings, there are buildings that remains unutilised as their condition has dilapidated. As a mitigation plan, the Department is finalising the Immovable Asset Utilisation Strategy to ensure that these are utilised for economic development and revenue generation for the province. As part of this Strategy, the assets have been categorised for the following uses:

- Letting of prime sites and vacant land to the private sector for revenue generation
- Re-purposing of some of the immovable assets using the Public Private Partnership (PPP) approach
- Human settlements as a contribution in respect of flood damages
- Residential accommodation to some of the local municipalities

As members of this house, we are aware that when the government of the day assumed control of the failing apartheid system, we not only inherited an eyesore sight but also structures that were unfit for human habitation. We chose a sustainable development and renovation strategy for these public buildings as a result. We realized that remodelling buildings has great potential for energy consumption reduction and promotes the use of other sustainable remodelling concepts, such as protecting the environment and the health of the community through exploring renewable energy.

Conditional Assessment

The purpose of the conditional assessment is to assist the department to determine the condition of its facilities which would form part of its planning on the outer years. In this way, preventative maintenance could be done timeously rather than costly rehabilitation.

Secondly, by assessing the facilities on an annual basis, it would assist the department maintain the completeness of the asset register. This is in line with the provisions of Government Immovable Asset Management Act, Act 19 of 2007.

The Department is planning to conclude 414 assessments in the current financial year.

PROGRAMME 3: Provision of Buildings, Structures & Equipment - R450, 990 million (25.93%)

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications.

The core services are:

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through the EPWP.
- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Coordinating and aligning operational activities in line with municipal demarcations.

The programme's budget is distributed as follows:

● Compensation of employees:	R 328,118 million
● Goods & services:	R 104, 744 million
● Transfers & subsidies:	R 2,009 million
● Buildings and other fixed structures:	R 14,678 million
● Machinery & equipment:	R 1,441 million

As many people are aware, the ANC has been pressed by critics regarding its plans to maintain or expand upon current infrastructure. Since the very inception of democracy, the organisation has maintained its stance and position that it will pioneer a comprehensive, all-encompassing approach to pressing socio-economic issues, including the provision of infrastructure.

Honourable Members, I am pleased to report that in our quest to become an Implementing Agent of Choice in the Province, in the 6th Administration the Department has completed **1 273 capital projects** across the province, amounting to **R 5, 512 billion**.

Under the Department of Health Portfolio, we have successfully completed the following capital projects to mention a few:

- **Clairwood Hospital** (Ward C1 & C2, KMC and kitchen) in EThekweni Metropolitan at **R227, 3 million** project value
- **Catherine Booth Hospital** (Upgrade the existing TB Wards) in King Cetshwayo District Municipality (Amatikulu) at **R97, 2 million** project value
- **King Dinuzulu Hospital Complex** (Repairs and Renovations to staff accommodation) in EThekweni Metropolitan at **R104, 7 million** project value
- **Mosvold Hospital (Upgrade wards)** in UMkhanyakude District Municipality (Ingwavuma) at **R46 million** project value
- **St Francis Hospital (Upgrade wards)** in Zululand District Municipality at **R62, 3 million** project value

Under the Department of Education Portfolio, we have successfully completed the following projects, to mention the few:

- **Mahlabeni Lower Primary School** in UMkhanyakude District Municipality at **R49, 6 million** project value
- **Inanda School For Learners with Special Educational Needs** in EThekweni Municipality at **R218, 9 million**
- **Dundee Junior Secondary School** in UMzinyathi District Municipality at **R57, 4 million** project value
- **Xoloxolo Senior Primary School** in Harry Gwala District Municipality, Kokstad at **R69, 2 million** project value

Under other Clients Portfolio, we have completed the following projects to mention a few:

- Refurbishment to **230 Prince Alfred Old Greys Building** under the Department of Sport, Art and Culture located at UMgungundlovu District Municipality – Project Value of **R 51, 3 million**
- **Construction of Osizweni Service Office** under the Department of Social Development located at Amajuba District Municipality – Project Value of **R32, 2 million**
- Conversion of Government Garage to Office Accommodation under the Department of Social Development located at EThekweni Metro – Project Value of **R124 million**
- **Completion of Southern Region: New Wing Admin** under the Department of Public Works located at Offices - public works - Southern Region - 10 prince Alfred – project value of **R25, 7 million**.

Honourable Members, 207 schools across the province have benefited under the Water & Sanitation programme.

The department has further drilled and commissioned **504 boreholes** to schools, health facilities and offices focusing on water scarcity-stricken areas within the Province.

We have commissioned a total of **190** generators in various clinics and facilities.

To date **150 facilities** comprising of schools and clinics have been refurbished as part of the Storm Damaged programme.

Under the **Asbestos Eradication Programme, 52 health facilities** across the province have been completed.

Madam Speaker and people of KwaZulu-Natal, currently, a total of **150** infrastructure projects are at construction stage amount to **R1, 8 billion** across all districts. These projects significantly contribute towards job creation and improvement of the economy at the ward-based level.

Madam Speaker, we must mention that the department is facing pronounced pressures under infrastructure allocation due to budget cuts. As a result, various projects would not be affected in the current financial year.

Expanded Public Works Programme (EPWP)

Honourable Members, Public Works is responsible for the overall provincial coordination of EPWP. We continue to lead in the implementation of the EPWP.

The province has been allocated an overall target of **643 269 work opportunities** for Phase IV of EPWP. To date, **592 853 work opportunities** have been created and reported by the province, resulting in **92%** as the achievement.

In the **2023/24** financial year the annual target set for Work Opportunities is **135 238** and **62 479** Full time equivalents.

The department will continue providing technical support to all provincial departments and municipalities in order to achieve the annual set targets for the 2023/24 financial year.

We will also ensure that municipalities understand their roles and responsibilities and improve reporting. We are confident that we will achieve the set targets and overall performance of the programme in this financial year.

Green Building and Alternative Energy Saving

The department is engaging with the Department of Mineral Resources and Energy on the implementation and roll out of Energy Performance Certificates for all state-owned offices and school buildings with a net floor area greater than 1000 sqm. This rollout is an important first step to identifying buildings that require interventions to improve their energy efficiency. This supports the Department's Green Building Policy for sustainable infrastructure development and property management.

The department has written to all provincial departments to ensure compliance with the alternative energy saving requirements. Going forward, Madam Chair, as a department we are exploring to ensure that all future projects that we will embark upon will be powered with and not limited to alternative energy sources including solar etc. This is important if we are to diversify our energy sources as a country considering the challenges we are facing. More importantly, it signals a bold move in our collective efforts to reduce our carbon footprint as a province and to inculcate the culture of creating a built environment that is eco-friendly.

Provincial Government Precinct

The Provincial Government Precinct is steaming ahead, and statutory compliance requirements and the funding models has been completed in March 2023 while the concepts for the office blocks are targeted for April 2023. The Department is working with Development Bank of Southern Africa (DBSA) and Provincial Treasury to explore the various funding models.

Focus on Vulnerable Groups

The Department is committed to empower vulnerable groups in its programmes and interventions. To be able to measure impact on how the Department is benefiting vulnerable groups, the Department has taken a step to disaggregate the targets with a focus on vulnerable groups.

The Department has as per the Annual Performance Plan (APP) planned to spend 30% on designated groups owned enterprises through set-aside on procurement of goods and services. Within the 30% the disaggregation should be as follows:

- Women 45%
- Youth 35%
- People with disabilities 10%
- Military Veterans 10%

Last year, we committed to resuscitate the dilapidated District Workshops for the purposes of incubation and vocational trainings. EThekweni District Workshop was identified as the first workshop to be piloted for this purpose. The workshop was refurbished and Furniture Manufacturing Learnership was identified as a vocational training to be conducted in this workshop.

As we speak **Madam Chair**, twenty (20) Youth (who were EPWP participants) have started the Learnership from 03 January 2023 and will be enrolled for a period of twelve months. This twelve-month period will cover the theory and practical learning. At the end of the twelve months, the learners will obtain an accredited certificate of competence from CETA.

We are also resuscitating the UMzinyathi Workshop which is in Dundee. Identification of functional machinery was conducted and servicing thereof. Twenty learners are anticipated to be trained on Carpentry.

The UMgungundlovu Entrepreneurial Centre of Excellence refurbishment has been completed. We are in the process of procuring working tools to be utilised in the workshop. Twenty learners will be trained in block making at this workshop.

The Disability Mobile Application was launched on 29 November 2022 in collaboration with the Department of Human Settlements. The aim of this application is to provide easy access for disabled community to benefit from departmental programmes.

During the Disability Parliament in December 2022, the disability sector expressed their gratitude to the Department for developing this mobile application. As part of the resolutions taken at that parliament, the Departments will be rolling out workshops to across all Districts with an aim of training the disability sector at a District level on how to utilise the Disability Mobile Application.

Eyesizwe Contractor Development Programme

Honourable Speaker and Honourable Members, to date 632 projects have been awarded to 512 emerging contractors.

A total of **312 contractors** were trained on various skills including filing of bid documents, pricing, construction management. The aim of the trainings is to ensure that contractors are capacitated to bid successfully.

The Department is committed to empower more contractors for the purpose of their growth and development.

CONCLUSION

In closing, I would like to express my heartfelt appreciation for the exceptional assistance and dedication of the department's devoted team of technocrats. As a department, we must play a crucial position in enhancing the fortunes of our province, overall, in addition to my ongoing commitment to improving the lives of ordinary South Africans.

Acting HoD, Mr SP Majola, senior management and all categories of staff at head office, districts and regions, your zeal and commitment to serve hasn't gone unnoticed and for that I'm grateful.

I want to express my gratitude to the Honourable Premier, Nomusa Dube-Ncube, who has taken it upon herself to comprehend and embody our department's mission and has provided us with unmatched and sterling assistance.

To my colleagues, the Members of the Executive Authority, I make a commitment to be by your side as we go forward on our mission and pledge to have a significant influence throughout our province. May we carry out the duty entrusted to us with distinction and grow to be a source of inspiration for many others. I want to extend a similar message to your department heads, who have also contributed positively to our effort to provide service delivery.

My whole family, especially my loving wife, my twins, my siblings, and my mother, who also gave me the blessing to embark on the significant responsibility when I entered office eight months ago, deserve my deepest thanks and admiration.

Lastly and most important, I would like to express my deepest tribute to the gigantic movement, 'Inqola emasondosondo', the people's movement and our only hope for a better tomorrow, the African National Congress. I'm forever thankful for affording me the opportunity to serve the residents of our province.

With that said, I table the Budget Vote 14 of **R1, 738, 955 billion** for consideration and approval by the Honorable Members of this House.

I thank you.

NOTES

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KWAZULU-NATAL PROVINCE

PUBLIC WORKS
REPUBLIC OF SOUTH AFRICA

REGION	POSTAL ADDRESS	CONTACT DETAILS
Office of the MEC eThekweni	Private Bag X 54336 DURBAN 4001	Tel: 031 261 8997 Fax: 031 261 8157
Office of the MEC Pietermaritzburg	Private Bag X 9041 Pietermaritzburg 3200	Tel : 033 355 5570 Fax : 033 355 5514
Office of the HOD	Private Bag X 9041 Pietermaritzburg 3200 191 Prince Alfred Street Pietermaritzburg, 3201	Tel: 033 355 5560 Fax: 033 355 5683
eThekweni Region	Private Bag X 54336 DURBAN 4001 455A King Cetshwayo Highway Durban, 4001	Tel : 031 203 2100 Fax : 031 261 6066
Midlands Region	Private Bag X 9963 LADYSMITH 3370 40 Shepstone Road Ladysmith, 3370	Tel : 036 638 8000 Fax : 036 638 8099
North Coast Region	Private Bag X42 ULUNDI 3838 King Dinizulu Highway Administrative Building ULUNDI 3838	Tel : 035 874 3349 Fax : 035 874 2519
Southern Region	Private Bag X 9152 PIETERMARITZBURG 3200 10 Prince Alfred Street Pietermaritzburg, 3201	Tel : 033 897 1300 Fax : 033 897 1399

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