



**PUBLIC WORKS**

# BUDGET

**VOTE 14 2021**

BY THE HONOURABLE

**MR NTUTHUKO SIBIYA**

MEC FOR HUMAN SETTLEMENTS AND PUBLIC WORKS

20 MAY 2021



**KWAZULU-NATAL PROVINCE**  
PUBLIC WORKS  
REPUBLIC OF SOUTH AFRICA



**STAY  
HOME**  
SAFE SOUTH AFRICA

**GROWING  
KWAZULU-NATAL  
TOGETHER**

DELIVERED BY  
THE HONOURABLE MEC FOR PUBLIC WORKS JOMO NTUTHUKO SIBIYA

19 MAY 2021

Chairperson

Speaker

Deputy Speaker

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 Morning

**Madam Speaker**, as I rise to address this house, I am reminded that May is recognized as Africa Month.

We must therefore awaken the spirit of brotherhood and strengthen the solidarity amongst ourselves and the people of this province. We must remind one another that our struggle is not yet over.

Importantly, we must draw inspiration from the pathfinders of this freedom who worked hard to ensure the liberation of the African child from the bondages of apartheid and colonialism.

As we table this Budget Vote, we are inspired by African Leaders such as the First Recipient of the Nobel Peace Prize, Inkosi Albert Mvumbi Luthuli.

In one of his speeches he reasoned: ***“You have to learn the rules of the game. And then you have to play better than anyone else.”***

**Madam Speaker**, since my deployment to this Portfolio 68 days ago, I have interacted with management, different categories of staff, members of this house and members of the executive council under the leadership of the Premier, Sihle Zikalala.

I have interacted with stakeholders in the construction industry including leaders of society such as traditional leaders and religious leaders. I have also interacted extensively with the people of this province across all political lines.

Each day, I am learning the rules of the game.

Speed and efficiency and are the rules that you, as Honourable Members, and the people of this province expect the Department of Publics Works to adhere to. We offer to adhere to these rules and use them as guiding tools.

Critically, I appreciate guidance and constructive criticism from all of you. I have no doubt that with our shared experience and knowledge, we will collectively be better than anybody else.

We must continue to look at our strengths that we must utilize to turn this province into a land of prosperity for all. We must also look at our weaknesses that we must correct in order to advance the African child.

**Honourable members** - the question that we must ask is: What do we owe to our children and future generations?

I believe that we owe it to our children to ensure that they have access to adequate healthcare facilities.

We owe it to our children to ensure access to education infrastructure for the acquisition of quality education.

We owe it to our children to have access to libraries and science laboratories so that they can face the world with confidence.

We owe it to our children to embark on an Infrastructure Revolution in order to make KwaZulu-Natal a land of prosperity for them and future generations.

## INFRASTRUCTURE REVOLUTION

**Madam Speaker and Honourable Members**, as Public Works, we are cognizant of the fact that despite the gains made by the ANC-led government over the past 26 years, we still need to ensure the provision of adequate infrastructure.

During the inaugural Sustainable Infrastructure Development Symposium, the President of the Republic of South Africa His Excellency Cyril Ramaphosa said infrastructure would be the “flywheel” to drive economic growth through the tough economic conditions that had been worsened by the Covid-19 pandemic.”

He further outlined, in detail, a massive infrastructure programme of more than R2, 7 trillion. This has never been seen before in the whole country and in Africa in general.

According to Provincial Treasury, for KwaZulu-Natal Province alone the 2021/22 total infrastructure budget allocation amounts to R16.449 billion. Of this amount, existing infrastructure assets received the largest share, approximately 57.8% (R9.514 billion).

Non-infrastructure (expenditure not directly linked to the construction of infrastructure assets) received the second largest share at R2.202 billion, while new infrastructure assets received R1.166 billion.

This massive investment is packaged in such a way that we defeat the triple challenges of poverty, unemployment and inequality. These challenges have been compounded by the outbreak of COVID-19.

Quite critically, after careful analysis of our work as Public Works, we are continuously reengineering our approach to assist the province and the country to grow.

We are focusing on vocational training to ensure that the people of this province are appropriately skilled to take up the new opportunities we are creating in the various sectors of the economy through the delivery of infrastructure.

We will work closely with the KZN Human Resources Development Council to strengthen our collaboration with the with Universities, Technical Vocational Education Training Centres and other Training Institutions ensure massive skilling of young people throughout the corners of the province.

Whilst unemployment in this province is often driven by a lack of demand for labour, at other times it is driven by a lack of

suitable supply of labour. This is particularly true where there is a mismatch in skills supplied by the local labour force and skills demanded by the major businesses in the area.

Working with the Department of Higher Education and TEVT, we will ensure that the categories of artisans produced are aligned with the quality of skills required in industries whilst ensuring that the programmes for skills development is aligned with the imperatives of industrial development.

Learnerships and internships shall continue to be utilized to bequeath the young graduates with the sufficient experience to improve their appeal in the open market.

Special programmes will continue to be promoted to ensure that our youth can acquire simpler skills and be assisted through direct placement in jobs, including training in entrepreneurship (for the small business sector) and cooperatives

By and large, all categories of staff in the department are now fully aware that the approach this country has adopted is that which is utilised by developmental states that lifted their countries out of deep depression. In these countries, massive investment was poured into infrastructural projects to stimulate development.

Massive investment consequently encourages partnership between the public and the private sectors to maximise investments and grow the economy together.



As KZN Public Works we are therefore seized with the work of strengthening the coordination of all government infrastructure projects.

Later on, I will reflect on the progress we are making in establishing the Strategic Infrastructure Development Agency (SIDA). The Premier has given us tight deadlines which we are committed to meet. Actually, I have given the team a period of 9 months to renovate offices where this Agency will be located.

SIDA will be the Province's Infrastructure Nerve Centre. Having this Agency will enable KwaZulu-Natal to engage with and coordinate effectively every infrastructure project that will be taking place in the Province irrespective of the sphere of Government that is the custodian of the plans in question.

It is interesting to note that national government, together with the private sector, identified 276 projects with a total investment value of more than R2.7 trillion. Government went on to gazette 50 of these Strategic Integrated Projects with a value of R340 billion.

As reported by national government, the projects are in the areas of human settlement, water and sanitation, energy, transport, digital infrastructure, harbour development and maritime in general. Some of the projects are located in KwaZulu-Natal.

As Public Works, we remain alert to take full advantage of the rollout of all infrastructure projects as guided by the Provincial Growth and Development Strategy and Plan; and the National Development Plan.

We say this because we are cognisant of the fact that the requirement of a developmental state is the capacity to provide credible plans to unlock the potential of the economy based on a long- term vision.

As the process of establishing SIDA is underway, we commit to strengthen the work of a Provincial Executive Council Infrastructure Delivery Sub-committee of MECs established few years ago. The committee was created to oversee the delivery of infrastructure and ensure that the capital expenditure pattern is closely monitored and reported to Provincial Executive Council on a regular basis.

We will also work with KZN Treasury's Infrastructure Crack Team of technical specialists (project managers, engineers, architects etc) to speed up quality construction of public infrastructure and eliminate under-expenditure.

We are also planning to take advantage of National Infrastructure Fund by accessing funding for the benefit of the people of this province.

## **PUBLIC WORKS QUICKENING THE TEMPO TO ECONOMIC RECOVERY AND JOB CREATION**

**Madam Speaker,** The Infrastructure Revolution, will enable us to meet the target announced by Honourable Premier of ensuring that KZN creates 233 000 work opportunities during the last few years of sixth democratic administration.

We commit to do the work I have highlighted because we know that another requirement of a developmental state is demonstrable capacity to implement the planned projects in



time and on budget. The developmental state has a responsibility of ensuring a united focus in the achievement of the outcomes for the success of the country.

This requires a state capable of uniting its efforts and work in unison with each player working hard for the success of the whole and creating a win-win outcome for all stakeholders.

In addition, this requires a special attitude and sense of collective determination to succeed as a people. Exactly what Premier Sihle Zikalala has done—he has led the province from the front!

Since our Honourable Premier delivered the State of the Province address, under the theme ***“Quickening the Tempo to Economic Recovery and Job Creation,”*** we have been interacting with senior management in our regions across all corners of the province.

Serious deliberations have resulted in resolutions to guide the department on how to create, save jobs and contribute towards economic recovery. We will achieve this by ensuring efficiency and speed in the implementation of social infrastructure projects.

Our approach is based on the institutionalisation of both Infrastructure Development Management System (IDMS) and the District Development Model.

As guided by the two models, we are phasing out regions and instead appointing directors at the district level. This process, which is due for completion in the second quarter of this financial year, is aimed to achieve the following:-

1. Focus on capacitating district offices to provide the full range of services;
2. Integrate planning across districts to ensure alignment of development and radical socio-economic transformation imperatives;
3. Improve service delivery processes and procedures;
4. Enhance data collection to support reporting;
5. Enhance Information Communication Technology (ICT) infrastructure to Districts to leverage to benefits of the Fourth Industrial Revolution; and
6. Capacitate districts to reduce reliance on consultants.

At this stage, we wish to reiterate our commitment to respond with agility to a clarion call made by the leadership of this government that local people must benefit from the huge investment in social infrastructure.

In the past, KwaZulu-Natal has been the first province to exceed the targets for provision of job opportunities in the Expanded Public Works Programme. The major contribution in this regard has come from the Siyazenzela, Zibambele and Vukuzakhe projects pioneered by Public Works, Human Settlements and Department of Transport.

We undertake to accelerate EPWP in order to create much needed job opportunities for unemployed people and those who have been retrenched as a result of COVID-19.

In this Budget Vote, I will elaborate more on EPWP and Eyesizwe Contractor Development Programme (ECDP)

## **PRIORITIES**

**Madam Speaker**, creating a better future for all is dependent on the steps we take as we move forward.

Our immediate focus is to move quicker towards the attainment of the following priorities:

1. Strengthening the capacity of Public Works as the only Implementer of Choice for infrastructure development in KwaZulu-Natal;
2. Reducing rentals through the construction of state-owned infrastructure and maximum use of existing state facilities;
3. Building the provincial precinct in collaboration with other departments including Office of the Premier and the Legislature;
4. Improving the maintenance of state buildings;
5. Accelerating the transformation of the property sector in KZN;
6. Stabilizing property rates;
7. Growing the spend on Eyesizwe Contractor Development Programme to advance Radical Socio-Economic Transformation;
8. Effective co-ordination of EPWP to ensure skills development and acquisition of required practical in order to accelerate socio-economic development;
9. Improving audit outcomes;
10. Restructuring the Department to be service delivery focused;
11. Reengineering and producing a new service delivery model;

12. Building internal capacity, artisan skills development through our own workshops at EThekweni District, UMzinyathi District and UMgungundlovu District;
13. Contributing to the Oceans Economy through development the requisite skills and building a social compact with business/ labour / communities.
14. Strengthen Internal Controls working with Provincial Treasury.

The priorities are the basis of our Programme of Action and are linked to the State of the Nation Address, State of the Province Address and the Provincial Budget Speech.

**Madam Speaker**, before going into the detail of the three programmes of the Department, I would like to indicate few aspects of the budget.

**Firstly**, the reprioritized budget for 2021/22 is R1, 6 billion (**R1, 695,329 billion**)

**Secondly**, the Department also spends approximately R2 billion on behalf of other Provincial Departments which is recovered through the Inter-Departmental Account.

**Thirdly**, the following considerations have been applied to the budget formulation:

- Carry-through costs of the wage adjustments in line with the Provincial Treasury guidelines;
- All inflation related increases are based on Consumer Price Index (CPI) projections;

- Reprioritization and adherence to cost-cutting measures as issued by Provincial Treasury;
- The capital budget is based on the department's infrastructure plan.

## **PROGRAMME 1: Administration R434, 109 million (25.61% of total budget)**

**Honourable Members**, let me turn my focus to Programme 1.

The main objectives of this programme are 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.

It is the responsibility of government and government officials to implement the programmes which have been designed to ensure a better life for all.

I undertake to lead all categories of staff in ensuring that we make an impact across all service points as the department.

The programme's budget is distributed as follows:

Compensation of employees:	R 339,453 million
Goods & services:	R 75,170 million
Transfers & subsidies:	R8, 326 million
Software & Other Intangible Assets	R6, 352 million
Machinery & Equipment	R4, 808 million

## Consequence Management

**Madam Speaker**, we are strengthening our working relations with Provincial Treasury's Internal Audit and the Premier's Office Forensic Investigations Unit.

We wish to report that we launched 16 investigations and to date - nine are in progress and seven have been finalised.

Four members of staff have received final written warnings and one dismissed. Two were put on three months suspension without pay and received final written warnings.

One staff member was placed on one month's suspension without pay and given a final written warning. Four received verbal warning and three have disciplinary action pending.

**Madam Speaker**, working with all law enforcement agencies, we will continue to investigate a variety of fraudulent and corrupt activities and deal with those serving as agents.

We are determined to stamp out corruption and eliminate the perception of corruption in government. When evidence of actual or apparent impropriety exists in the department, we undertake to act effectively and either administratively and through the criminal justice system.



**Honourable Members**, we are encouraged by the results of an investigation conducted by the Special Investigation Unit (SIU) into COVID-19 infrastructure related procurements.

The investigation was conducted in the three field hospitals amounting to R 96 million and twelve refurbishment projects with the total budget of R 1 billion.

SIU has confirmed that they did not find any wrong doing on the side of the Department and have since closed the investigation. They lauded the department and all categories of staff for their co-operation.

We want to develop a reputation of a department that is respected by the people because of lawful and responsible behavior of all categories of staff.

### **Payment to Service Providers within 30 days**

**Honourable Members**, we are dealing with complaints of delayed payments to entrepreneurs, an issue raised by the Premier and members of this house on several occasions.

Last week we met with CFO, Managers of Supply Chain Management units in districts, regions and head office. In this meeting we agreed on targets, key performance areas and consequences for shoddy performance across all categories of staff.

We are also developing, with the assistance of Treasury, an invoice tracking system in order to deal with this matter once and for all.

Importantly, any delay in the processing of invoices either deliberately or due to demands for bribes - will result in criminal charges laid against any employee in the department. We are calling on members of the public and emerging entrepreneurs to report such employees in order for government to take immediate action.

We have also taken a decision to set up a Hotline for the members of the public to report such unscrupulous elements within our department. We will work with Treasury and OTP in this regard.

I must hasten to point out that the majority of employees in our SCM now understand that they are the centre of government's efforts aimed at ensuring economic recovery and creation of jobs for millions of people. We have agreed to isolate and marginalize those few bad apples within our ranks.

Having said that, in the interest of transparency and accountability to the people of this province, I wish to indicate challenges that we have been facing as the department.

In the period under review, the overdraft limit for the Department has been set at R350 million. However over the past few months, the department was unable to timeously settle all monthly financial obligations.

The Department processes expenditure relating to client departments, as well as own expenditure on a monthly basis which puts a strain in the department's cash flow.

While client departments were previously taking about 60 days to settle claims instituted by the Department, this period further increased in the financial year 2020/2021. By March, the Department still had not receive payments relating to claims older than 120 days.

As such, this resulted in the Department exhausting all the monies in its bank account. We can report that towards the end of March 2021, client departments owed the Department about R561 million.

This caused a strain in the cash resources and resulted in the department being unable to meet all financial obligations to service providers within the prescribed period as detailed in the Public Finance Management Act (PFMA).

Towards the end of April, invoices amounting to some R576 million had been captured on BAS but not disbursed as a result of the cash flow challenges facing the department. This amount included some R236 million due to municipalities relating to property rates.

We urge departments to pay us on time so that we are able to pay service providers. This will ensure sustained service delivery of infrastructure for the benefits of the people of the people who voted this government into office.

It must be noted that outstanding property rates accrue interest and certain municipalities indicated that municipal services will be terminated unless outstanding payments are settled.

Service providers have also indicated discontent with the department's failure to timeously settle invoices and have indicated that projects will be abandoned and legal action taken against the department should the situation not improve.

This does not only have a major negative impact on the department's service delivery plan, but on the lives of the people of KwaZulu-Natal, especially in this challenging time with the Coronavirus pandemic.

To remedy this situation, we can report that several client departments have settled part of the amounts outstanding to Public Works. This has helped stabilise our cash flow and enabled the settlement of part of the outstanding debts.

This remains an unsatisfactory situation and we must apologise to contractors and suppliers who have been severely inconvenienced by our inability to meet the 30-day payment deadline.

**Honourable Members,** I am pleased to announce that we have forged a closer co-ordination between the Department of Public Works, as an implementing agent of infrastructure projects – Provincial Treasury and client departments.

The Chief Financial Officers Forum, co-ordinated by Provincial Treasury, will be assisting in turning around the situation moving forward.

The involvement of Heads of Departments, CFOs and Managers of Supply Chain Management Units in addressing this matter will ensure a long lasting solution.

## **Capacity development**

**Madam Speaker**, during the past financial year, the Department enhanced its human resource capacity by filling 63 posts. The staff complement is 1565. The ratio of male to female employees is 52.5%: 47.5%.

While significant progress has been made in improving female representation at the SMS level over the past year, parity is still elusive with women comprising 43.7%. We have agreed that the status quo is unacceptable. In this regard we commit to ensure that women are appointed into strategic senior positions in the department.

**Honourable Members** I am pleased to report that the Department has succeeded in exceeding the 2% threshold of employees with disability.

In addition, we wish to point out that of those categorised under the youth definition, we have 300 youth employees – the youth equate to 19.2% of the total staff complement.

We remain committed towards increasing the number of young people in the department. In this regard, we are continuously engaging with Department of Public Service and Administration and the Office of the Premier to comply with the new dispensation.

According to DPSA, work experience will no longer be a requirement for recruitment for entry level jobs in the public sector. We are developing a new recruitment policy to ensure that our recruitment processes are in line with government's objectives which are aimed at responding to high youth unemployment.

## **Youth in Construction**

**Honourable Members**, since the country moved to Lockdown Level 1, construction and property development activities are increasing day-by-day.

As you drive across the province you cannot help but notice the construction of social infrastructure such as health facilities, schools and other service delivery points.

You can also notice commercial properties such as malls, golf estates and hotel developments including residential properties in urban and rural areas.

Government is revalitizing small towns across the province with an aim of ensuring rural development.

## **Bursaries for scarce skills**

Madam Speaker and honourable members, as Public Works, we are consciously investing towards the acquisition of technical skills to ensure that young people are at the forefront of the infrastructure development.



Our goal during this period is to play a leading role in the creation of a province in which all can experience an improved quality of life.

We want young people to enjoy equal human rights with access to opportunities that freedom had brought us, and bound us together as a nation.

We have noted that the department is struggling to retain skilled personnel, especially in Northern and Southern parts of the province including the Midlands.

To deal with problem we have undertaken to create a pool of skilled young people from local communities. We are recruiting them from high school and ensure that they are supported through their tertiary level. Upon completion of their studies they are employed by the department and ultimately serve their communities.

In this regard, we have awarded bursaries to young people in the following scarce skills detailed below:

Discipline	2021
Electrical Engineering	9
Mechanical Engineering	15
Civil Engineering	5

Discipline	2021
Property Development	3
Real Estate	1
Construction project Management	3
Quantity Surveying	11
Architecture	3
<b>TOTAL</b>	<b>33</b>

**Madam Speaker**, the Department will award 25 bursaries in the 2021/22 financial year, this will include learners who will be studying at TVET Colleges. This is not sufficient but we believe that we are moving in the right direction. As indicated earlier on, our focus is on vocational training.

### **Internship Programme and Work Integrated Learning (WIL)**

We have also set aside resources to ensure that young people are given access to Internship and Work Integrated Learning (WIL) programmes.

Although the problem of unemployment broadly affects everyone in society, we should not lose sight of the young workers who over the years have disproportionately borne the brunt of limited employment opportunities owing to lack of experience.

It is for these reasons that we are focusing on the acquisition of on-the-job experience for young professionals.

Importantly, we all know that in some circumstances, the lack of job openings results in social ills such as juvenile delinquency, crime, drug and substance abuse which further increases the national social costs. The social costs are expounded when the share of long-term unemployed increase over time.

As Public Works, we are therefore responding directly to these challenges.

We are also focusing on the shortage of skills in the Built Environment. To date, the Department has seventy two (72) interns appointed throughout the province.

The interns in the professional disciplines register with the statutory bodies so that they can obtain professional registration status. Thereafter, they are appointed in the Department as professionals and contribute towards service delivery. We will increase an intake this financial year in partnership with TVET colleges and Universities of Technologies.

A breakdown of the interns is as follows:

Professional Discipline	Total
CPM (Construction Project Management)	6
Quantity Surveying	11
Architecture	13
Mechanical Engineering	2
Civil Engineering	5
Electrical Engineering	4

Property Valuation	1
Public Management	14
Office Management / Management Assistant	7
Financial Management	2
Public Relations Management	4
Geographic Information Systems	3
<b>TOTAL</b>	<b>72</b>

About 10 students have been assisted to with in-service training which has enabled them to complete their qualifications in various tertiary institutions

A breakdown of the WIL trainees is as follows:

<b>Discipline</b>	<b>Total</b>
Electrical Engineering	6
Civil Engineering	3
Mechanical Engineering	1
<b>Total</b>	<b>10</b>

## **PROGRAMME 2: Property Management R832, 095 million (49.08% of total budget)**

The purpose of this programme is to provide and facilitate the provision of accommodation and integrated property management services to clients. We do this through planned property life cycle (acquisition, management, maintenance and disposal), optimal utilization of immovable assets, land valuation, maintenance of the Immovable Asset Register, payment of property rates and integrated service delivery.

The programme's budget is disaggregated as follows:

Compensation of employees:	R 68,386 million
Goods & services	: R 67,369 million
Transfers & subsidies	: R 696,340 million

### **Transformation in the Property Sector**

**Madam Speaker and Honourable Members**, as elected public representatives, we have a responsibility to be the agents of change and transformation. This government, has over the years invested billions towards mega projects, public transport system which include the modernisation of rail networks, upgrade of airports and our ports.

The most critical issue for us as government is to ensure that such catalytic projects becomes catalysts for the integration of communities that were previously segregated by the policies of the apartheid government.

We are in an epoch where we have realized that although significant progress has been made since 1994, notably through the introduction of a democratic system unfortunately broad-based and complete economic transformation is yet to be achieved.

As the department we commit to double our efforts to alter skewed economic patterns which have, for centuries, seen the majority of our people pushed to the periphery and denied the economic opportunities.

As part of the provision of office accommodation for all government departments, the department currently has 178 leases. Unfortunately, as I have pointed out, the ownership of such properties is not reflective of the demographic of this country.

The following table is instructive in this regard:



RACE	NO. OF LEASES (178)	%	TOTAL LEASE PORTFOLIO
Indian	79	44%	R344 million
White	37	20%	R113 million
Black Africans	15	9%	R55 million
Partnerships (White, black, Indian)	16	9%	R197 million
Other (NGOs, Municipality, SAPO, FET)	31	17%	R19 million

As you can see **Honourable Members**, this is the sector that is monopolized in the sense that properties, which are mostly offices, are owned by the same race group.

In as much it would be ideal for all government departments to be housed in the state owned buildings; hiring of office accommodation cannot be avoided under the current circumstances and it is critical for the government to create opportunities for all in hiring of office accommodation.

In the financial year ahead, Public Works will undertake the following turnaround strategy to achieve transformation objectives in hiring of office accommodation:

1. Establishment of Property Owner Database to explore the possibilities of some sort of exemption by National Treasury (provisions of PPPFA);
2. Bid document amended with clauses preventing fronting through partnerships;
3. Engagements with relevant external stakeholders, especially financial institutions such as Ithala, KZN Growth Fund and other financial institutions in order to assist previously disadvantaged groups;

4. 51% of all Facilities Management Services must be outsourced to the categories listed above;
5. The Department reserves the right not to award to bidders who have current leases with the Department to the cumulative value of R80m;
6. Where a party intends submitting a bid on its own behalf for its own benefit utilizing the property owned by another party/entity/individual, that party is required to submit an original mandate from the owner of the property authorizing the use of the property by the bidder, as well as a shareholding /partnership agreement, setting out the relationship between both parties and how the benefits of the lease, if awarded, will be shared between the parties;
7. Additionally, 30% subcontracting to be enforced on buildings above 900 m<sup>2</sup>, with stringent controls in terms of preventing fronting;
8. Leases below 900 square meters will be ring fenced for the previously disadvantaged communities.

We are also alert to the fact that the Department has no effective utilisation strategy for state immovable assets to advance radical socio-economic transformation.

An assessment of the immovable asset portfolio to determine options in strengthening the effective use of state assets is currently underway. This will lead to calls for expression of interest on possible uses of state assets for letting over a long-term period.

This is also seen as one of the strategies responding to the empowering of the historically disadvantaged. Linked to this, we have examined our role in the rollout of programmes focusing

on Gender Based Violence. It is for these reasons some of our old properties will be used to intensify and sustain the fight against GBV in line with government's programme. We are collaborating with the MEC for Social Development in this regard.

**Honourable Members**, coming back to the issue of transformation of the property sector, we intend to hold Provincial Property Indaba in the next few months. We will be extending an invitation to all stakeholders interested in the property sector to be part of this engagement.

We strongly believe that it is very critical to engage various stakeholders within the sector, with an aim of doing the following:-

- Sharing the current status (landlords profile) of the leasing portfolio;
- Getting the views / suggestions of how the Department can further improve so that a better enabling environment is provided to all.

## Property Rates

**Madam Speaker**, in 2020/2021 financial year the department spent the entire budget of R828.5 million on the payment of property rates, including the additional budget of R165 million as received from Provincial Treasury to cater for the shortfall in available funds.

It is with much appreciation that the Department succeeded in negotiating with eThekweni Municipality for a 50% discount for property rates for schools, which resulted in savings of R102

million. This helped the department in offsetting the deficit to other municipalities.

The annual budget allocation for property rates remains insufficient. The trend over the past several years is that there is always a shortfall, for instance in this current financial year, the shortfall is R386 615 694.00 million.

Regrettably, this is not an occurrence that can be solved by the best of financial planning as property rates are dependent on individual municipalities effecting increases in line with their Municipal Rates Policies.

That said, it has been a matter of tremendous embarrassment over the past financial year when certain municipalities ran into difficulties over unpaid property rates and utility bills by Public Works. Those were occasioned by cash flow difficulties arising from delayed funds transfers by client departments.

The issue is being resolved through a variety of intergovernmental interventions and the intention is to ensure that the issue is avoided going forward.

## **Conditional Assessment**

**Madam Speaker**, a serious indictment on our performance is that no conditional assessments were undertaken in the past two years.

It is unfortunate that the procurement process of suitable service providers has been delayed by the lodging of appeals. Such appeals are currently receiving attention from the Bid Appeals Tribunals.

The outbreak of COVID-19 pandemic has also seriously delayed these processes. Notwithstanding these challenges, I wish to indicate that the Department of Public Works will turn around the corner.

Conditional assessments of 300 facilities are planned for 2021/22, for state-owned office accommodation. The assessments will assist in identifying building deficiencies and any corrective actions required.

This will ensure that state-owned office accommodation complies with statutory requirements, once the corrective action is implemented. Work will commence in the second quarter of 2021/22 financial year once the service provider is appointed.

The department is also exploring various options available on the market for conducting of conditional assessments, so that this can be fast tracked.

## **Finalisation of Transfer of Properties in terms of Proclamation R293/1962**

**Madam Speaker**, the department will continue to attend to the transfer of R293 properties from the names of the municipalities to the name of the KZN provincial government.

The finalization transfer of properties in terms of Proclamation R293/1962 is in progress. The affected municipalities include uMsunduzi, Nkandla and Big Five Hlabisa. The transfer from eNdumeni is delayed by the establishment of the township register.

Negotiations with uPhongolo and eDumbe local municipalities are ongoing and the procurement process will commence thereafter. eDumbe and uPhongolo are the last remaining municipalities where the R293 transfer work is still outstanding.

## **Esplanade Government Building (EGB)**

This is a state-owned building in extent of 18000m<sup>2</sup> that was occupied by various government departments. It has been vacant for many years.

This building is seen as a valuable government asset that has a great potential to alleviate government reliance on hired buildings in Durban.

The Department intends to enter into a partnership arrangement to renovate the existing building in order to reinstate its use as offices for government departments and parastatals.

## **Dilapidated buildings**

The Department has various underutilised properties across the Province. Some are vacant and others are illegally occupied. The Department is in the process of identifying all these underutilised properties. A strategy is being developed which inter alia donation to Municipalities for human settlements purposes, leasing to cooperatives for local economic development, donation to DSD to fight the sketched of Gender Based Violence, letting for community benefit projects.



## **PROGRAMME 3: Provision of Building, Structures & Equipment R429, 125 (25.31% of total budget)**

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.

This programme's budgeted is distributed as follows:

Compensation of employees:	R 308,411 million
Goods & services:	R 96,372 million
Transfers & subsidies:	R1, 894 million
Buildings and other fixed structures:	R 22,186 million
Machinery & equipment:	R0, 262 million

### **Infrastructure Delivery**

**Honourable Members,** I am pleased to report as the Implementing Agent of Choice in the Province, in 2020/21, Public Works completed 151 capital projects in nine (9) district municipalities and one (1) metro at a combined cost of R695m.

*These capital projects are as follows:*

District	No Of Projects	Project Value
EThekweni Municipality		
Metropolitan	11	R69 650 999,00
Harry Gwala District	6	R20 069 150,00
ILembe District Municipality	29	R110 415 962,00
UGu District Municipality	20	R75 311 351,00
UMgungundlovu District		
Municipality	11	R81 560 066,00
UMkhanyakude District		
Municipality	11	R17 861 393,00
UMzinyathi District Municipality	3	R8 005 132,00
UThukela District Municipality	7	R24 477 575,00
UThungulu District Municipality	28	R164 118 513,00
Zululand District Municipality	25	R122 901 073,00
<b>Grand Total</b>	<b>151</b>	<b>R694 371 214,00</b>

Department of Public Works also has over 422 infrastructure projects which are currently under construction amounting to R3, 6 billion across the Province.

*Infrastructure Budget Allocation for 2021/22 financial year:*

CLIENT DEPARTMENT	FINANCIAL YEAR BASELINE BUDGET	TOTAL NUMBER OF PROJECTS ON IPIP
	A	B
Arts and Culture	R15,000,000	1
Agriculture	R58,000,000	31
Education	R741,098,298	1283
Health	R794,462,602	311
Human Settlements	R36,000,000	3
Prov. Parliament	R15,000,000	3
Premier	R19,500,000	21
Transport – budget allocation for construction, maintenance of roads camps and offices EXCLUDED	R45,000,000	15
COGTA	R30,000,000	15
Social Development	R71,000,000	21

CLIENT DEPARTMENT	FINANCIAL YEAR BASELINE BUDGET	TOTAL NUMBER OF PROJECTS ON IPIP
	A	B
Public Works	R33,000,000	13
<b>TOTAL</b>		<b>1717</b>

**Honourable Members and people of KwaZulu-Natal,** We are pleased to inform you that the Department was able to respond expeditiously with field hospitals and the refurbishment of existing hospitals with COVID-19 facilities.

Within weeks of receiving instructions from the Department of Health, Public Works was able to deliver state-of-the-art field hospitals with the total budget of R96 million.

*Below are the state-of-the-art field hospitals:*

DISTRICT MUNICIPALITY	NAME OF HOSPITAL	BUDGET	EXPENDITURE
ILembe	General Justice Gizenga Hospital	R27m	R27m
King	Ngwelezane	R27m	R27m

DISTRICT MUNICIPALITY	NAME OF HOSPITAL	BUDGET	EXPENDITURE
Cetshwayo	Hospital		
EThekweni	Clairwood Hospital	R42m	R19m

With a budget of R1 billion we refurbished existing public hospitals across the province to ensure quality healthcare.

*Below are the hospitals refurbished in response to COVID-19:*

DISTRICT MUNICIPALITY	NAME OF HOSPITAL	BUDGET	EXPENDITURE
EThekweni	Clairwood Hospital	R228m	R209m
	Wentworth Hospital	R84m	R81m
	King Dinizulu Hospital (EMRS)	R122m	R122m
	King Dinizulu Hospital (maintenance Hub)	R114m	R73m

DISTRICT MUNICIPALITY	NAME OF HOSPITAL	BUDGET	EXPENDITURE
	King Dinizulu Hospital (Roof Repair Project and Star Shaped Ward)	R42m	R24m
	King Dinizulu Hospital Psychiatric Phase 2 Completion Contract	R90m	R69m
UGu	GJ Crookes Hospital	R68m	R50m
UMkhanyakude	Bethesda Hospital	R34m	R31m
UMkhanyakude	Mosvold Hospital	R44m	R40m
Zululand	St Francis Hospital	R55m	R52m
Zululand	Siloah Hospital	R49m	R47m
King	Catherine Booth	R85m	R22m

DISTRICT MUNICIPALITY	NAME OF HOSPITAL	BUDGET	EXPENDITURE
Cetshwayo	Hospital		

**Honourable Members and the people of KwaZulu-Natal**, we believe that the ability to deliver on time is a clear indication that with excellent co-ordination involving all spheres of government, we are able to deliver social infrastructure ahead of schedule.

### **Archie Gumede Conference Centre Dining facility**

The acoustic treatment of iLembe Hall was completed in 2019/20 financial year, and the dining facility was delayed due to the national lockdown regulations. This project is now anticipated to be completed by end of May 2021.

The Archie Gumede Conference in Mayville is becoming an important site for the exchange of ideas and finding solutions to socio-economic challenges facing this province.

The centre has hosted Provincial Executive Council Sitzings, Press Briefings, IEC and many other important government workshops and in the process saving government millions of rands.

Moving forward, the centre will be used to host exhibitions, panel discussions and many public debates involving leaders in government and in society.



Over the next few years, we want Archie Gumede Conference Centre to be known as a platform for intellectual debate and spiritual bonding amongst the African thinkers and intellectuals in the country, the continent and in the Diaspora.

### **Vryheid sub-district office, conversion of the workshop into offices**

The department aims to finalise the first phase of this project by end of May 2021, after the project experienced delays in 2020/21 financial year. This was as a result of the poor performance of the initial contractor.

The first phase entailed the conversion of a carpenter shop into offices and the face-lifting of the main building. The department is targeting to commence with construction of the second phase of the project, which entails completing the upgrade of the Vryheid office in Zululand.

### **New iLembe District office**

The department will commence with the construction of this district office in 2021/22. The procurement processes are currently underway.

## **EXPANDED PUBLIC WORKS PROGRAMME (EPWP) AND MASS JOB CREATION**

**Honourable Members**, as you all know, Public Works is responsible for the overall provincial coordination of EPWP.

The one-on-one sessions held in various district municipalities were conducted through the EPWP focus week. These were aimed at improving awareness of the EPWP programme by all spheres of government and civil society. By doing this, we were aiming to ensure effective implementation and reporting across all spheres of government.

Critically, we want all stakeholders to understand EPWP programme within the context of economic recovery and job creation.

For the 2020/2021 financial year, KwaZulu-Natal government departments targeted 81 154 work opportunities and achieved 102 911 which translates to 127%. On the Full Time Equivalent indicator, the target was 42,326 and achieved 42 055, translating to 99%.

In the same reporting period, municipalities targeted 44 458 work opportunities and achieved 40 252 which translates as 91%. On the Full Time Equivalent indicator, the target was 15,099 and achieved 16 315 translating as 103%.

In the cumulative total as KwaZulu-Natal, work opportunities were overachieved at 125 612 or 114%. The Full Time Equivalents were 42 055 or 99%

**Madam Speaker**, as we move forward, the target of all government departments and municipalities for 2021/22 is 83 870 work opportunities and 44 829 full time equivalent indicator, respectively.

The target for this term office starting 2019 to 2024 is 643 686 work opportunities.

It is important to note that the department created other EPWP work opportunities in respect of the school screening programme linked to COVID-19 pandemic.

The Department of Education (DOE) approached the Social Protection, Community and Human Development (SPCHD) Cluster for urgent assistance with a number of key functions, such as the utilisation of EPWP beneficiaries from DOPW to conduct Covid-19 screening at schools.

The department reprioritised funding of R38 million to pay stipends for 5 738 EPWP participants, who were placed in schools to conduct screening of all learners entering the school premises.

A total of 5 738 work opportunities and 830 FTEs were created by the third quarter, in respect of the EPWP participants in the screening of COVID-19 in schools.

A total of 14 EPWP maintenance programme beneficiaries in the Southern Region were assisted in registration of a co-operative known as Qala Phansi Primary Co-operative Limited during the third quarter of 2020/21. By providing such assistance, the department seeks to empower beneficiaries so that they are able to generate a sustainable income after exiting the programme.

The Honourable Premier also noted in the SOPA that while the Expanded Public Works Programme remains one of the largest public employment programmes in the world, far greater

investment is necessary in ensuring that the beneficiaries are able to receive credible training in critical skills to make them ready for the job market.

To this end, several exit strategies are being implemented.

There are several partnerships with TVET Colleges, SETA's and other private colleges on providing training informed by the need analysis of the District.

Additionally, there is an incubation programme that includes inter alia War on Water Leaks, artisan skills development, furniture manufacturing, welding, school desks resuscitation, plumbing and bricklaying.

We are accelerating the refurbishment of Workshops in our offices in EThekweni, Vryheid and other districts. These were closed over the years and will be reopened as training centres for the youth and the reskilling of our staff.

We want to restore Public Works to what it was created to be. We want to our workshops to be known for quality workmanship. We will work with different industries (business, TVET and other academic institutions) to create a vehicle repair training, artisan training, refurbishment and manufacturing hubs in our district and regional offices. Emerging entrepreneurs will benefit.

There is also the ring-fencing of procurement of PPEs to local cooperatives and SMMEs to stimulate growth and job creation. We remain mindful that labour intensity of projects must be increased and that tender documents must be reviewed to incorporate job creation requirements.

With the enormous attention being paid to the development of the Oceans Economy, we are confident that EPWP can benefit from its skills and job creation opportunities.

In addition, the Provincial Government Lekgotla has directed that Public Works should partner with the Department of Education and the Office of the Premier in using the Public Service Training Academy to train and provide EPWP beneficiaries with skills training as part of the exit strategy. This work is being intensified.

We have communicated that Mass Job Creation and EPWP targets to be part of Annual Performance Plans for all Provincial Departments, Municipalities and Government Entities.

The targets must be disaggregated targeting Women, Youth and People with Disabilities. That instruction extends to all departments, municipalities, and state-owned entities to achieve 100% expenditure on the EPWP Grants by the end of the financial year.

Public Works will continue to report to Provincial Executive Council and members of this house on the coordination and alignment of all EPWP work in the Province. That report will include the number of beneficiaries, and the functioning of the co-ordinating structure.

**Honourable Members**, the Provincial Government Lekgotla assigned very specific instructions to the departments. These includes:-

- Provincial Strategy on Job Creation;

- Training and Exit Strategies through the Expanded Public Works Programme (EPWP) to be finalized and implemented by all Municipalities and Departments. This plan to include a digital monitoring system. I am happy to report that good progress has been made in this regard.

In addition, Public Works and EDTEA were tasked with the responsibility to co-ordinate and monitor all job opportunities created by government entities.

The outcomes of that exercise will be periodically reported to the Portfolio Committee on Public Works.

## **Izandla Ziyagezana Programme**

Let me turn my focus to Izandla Ziyagezana Programme.

This programme has been in existence since year 2008 and it is aimed at creating work opportunities through clearance of vacant sites in the communities. Many people have been employed through this programme.

The Department has taken a decision to change the name to Siyazenzela Programme. There are formal processes underway to finalize the name change and the scope of work.

The name change is a result of our focus on training our communities on various skills such as plumbing and furniture manufacturing – to name but a few.

The Department aims to increase the number of beneficiaries with disabilities, through engaging with institutions that care for people with disabilities.

We are exploring the extension of this programme to the cleaning of schools in all regions whereas currently only six schools benefit from the programme, namely Pholela High School, Bulwer Primary School, Copesville Secondary School, Joyla.

## **Land Utilization, Green Building and Green Economy**

Our work with EDTEA will include taking advantage of opportunities offered by the green economy.

Government has acknowledged the role played by the private sector in growing the green economy sector. But as Public Works, we believe that we have a greater role to play in unlocking the green economy through the use of alternative energy in buildings owned and leased by government.

The alternatives such as the use of solar panels for generation of energy connected to geysers and reduce the use of coal-powered electricity will be encouraged.

A strong campaign will be mounted to encourage communities to save electricity and reduce household consumption. We will be encouraging the setting-up of investment in the province to produce the solar panels to provide energy for schools, clinic and other facilities that are located off-grid and therefore have no access to electricity.

We will train people in this regard.



## Radical Socio-economic Transformation

**Madam Speaker and Honourable Members**, the reason why we fought to dismantle apartheid was because we wanted to live in a free, democratic state with access to economic opportunities.

It is clear to all now that unless something drastic is done, economic exclusion remains the biggest threat to our democracy and freedom.

There is an increasing number of South Africans who feel marginalized and denied opportunities. It is often the sheer hunger, brutality and violent nature of poverty that creates social instability.

We must say with one voice that, we love our freedom so much that we are not prepared to allow poverty to stand between us and our spirit of freedom.

We have also acknowledged that government alone has no chance of dealing a permanent blow on poverty, unemployment and underdevelopment unless government departments work together and also ensure that government works hand in hand with civil society: labour, business and other different community formations.

Few years ago, the government of KwaZulu-Natal endorsed the policy on Radical Economic Transformation as a vital element of the province's poverty alleviation and de-racialization of the economy.

As Public Works, we are going to accelerate our programme on supporting the poor, who through our history of apartheid are locked in the vicious cycle of poverty. We remain committed to ensure economic empowerment of women, youth, military veterans, and Blacks Africans through SCM policy changes.

The quantum of our procurement spending relative to the overall budget needs to grow exponentially for any real dent to be made. This is a matter we are committed to reporting on regularly in the Portfolio Committee.

The Department currently does not consciously procure commodities directly from black industrialists. Our focus during this financial year is identify priority commodities as per Operations Vula Strategy championed by the Premier.

**Madam Speaker,** I must hasten to point out that I have since instructed the Head of Department and Senior Managers to come up with a concrete plan that will enforce the Radical Economic Transformation in the Department. A plan will inter alia ensuring inclusion of RET conditions in tender documents for the new contracts pertaining to identified commodities.

Significant interventions in advancing radical socio-economic transformation will take place within the infrastructure sector. The following four pillars of the strategy are instructive in this regard:

1. Contractor Development;
2. Incubation and Mentorship;
3. Construction Material and Manufacturing Support;
4. Emerging Professionals in the Built Environment.

## Eyesizwe Contractor Development Programme (ECDP)

We have previously informed the House on the various challenges in getting the Eyesizwe Contractor Development Programme to optimally serve the target audience.

The Department has finalised the Registration of Eyesizwe Contractor Development Programme (ECDP) Database to CIDB. This entails that direct targeting of projects will be achieved. This will be applicable to CIDB Grade 1 to 6 only.

Presently, work allocated to contractors on Eyesizwe Contractor Development Programme include:

1. Fencing;
2. Water and Sanitation;
3. Early Childhood Development Centres;
4. Schools storm damage;
5. Maintenance;
6. Repairs and Renovations;
7. Electrification;
8. Upgrades and Additions;

*The department has made the following awards to various groups:*

GROUP	AMOUNT
Black Men	R 812 931 487,27
Black Women	R383 873 947,63
Asian Men	R143 385 032,98
Asian Women	R75 365 018,22
Coloured Men	R147 715 863,03

GROUP	AMOUNT
Coloured Women	R8 650 667,46
White Men	R119 663 565,56
White Women	R3 840 736,61
<b>Other groups</b>	
Youth	R221 315 557,09
People with Disabilities	R9 849 967,00
Coop Men	R27 286 064,62
Coop Women	R6 132 212,13

The Department has targeted 100 projects for designated groups for 2021/22.

The Department will be implementing an incubation programme for Furniture Manufacturing. About 20 participants will be recruited to be trained in different aspects of furniture manufacturing and linked to markets through Operation Vula programme.

R1 255 421, 30 has been approved for the implementation of this programme.

The Department has also started engagement with SABS to commence the Block and Brick making programme. About 100 participants will be recruited in this programme.

The Department of Public Works will ring-fence infrastructure projects towards Eyesizwe Contractor Development Programme (ECDP).

## KwaZulu-Natal Infrastructure Master Plan (KZN-IMP)

**Madam Speaker**, earlier on I referred to the Infrastructure Revolution and the role of Public Works as an anchor.

The department is responsible for the coordination and institutionalization of the KwaZulu-Natal Infrastructure Master Plan that includes both state-led and major private sector infrastructure development.

The Infrastructure Programme Management Unit (IPMU) will continue to ensure the structural reforms proposed in the KZN-Infrastructure Master Plan and to institutionalise the KZN-Infrastructure Master Plan with a particular focus on the long-term demand management of infrastructure.

In addition, the department will continue to develop the Infrastructure Nerve Centre, particularly its virtual capabilities to ensure sustainability. We will mobilise sectoral stakeholders to improve the quality of data and reporting to facilitate decision making, monitoring and co-ordination.

Currently, there is no link with the Nerve Centre that falls under Office of the Premier. The department is in discussions with COGTA and OTP regarding the feasibility of collaboration between the departments to avoid duplication and streamline the access to data.

In 2021/22, the department will commence with the development of the consolidated Provincial Repository of Infrastructure Data. This is the data that forms the basis of the Infrastructure Nerve Centre and its intention is to house all infrastructure data and land use data so that any Implementing

Agent / Investor / Stakeholder can access and view the data. This will enable them to do proper assessments of infrastructure requirements for a development that they are contemplating.

In addition, we will also undertake a programme in terms of how best to utilize our properties and state owned land across the province. It cannot be correct that such properties and the land ends up in the hands of criminals.

It was reported sometime last year that the government of South Africa owns somewhere around R1.5-trillion of buildings, compared to the entire listed sector where the market cap is between R600bn and R700bn, with the value of its assets just under or around R1-trillion. On this basis, the government is the largest property owner by value of assets.

In various parts of KZN including rural areas there are buildings and the land owned by government. We want to unlock the value of these properties and the land for the development of ordinary members of society.

## **Strategic Infrastructure Development Agency (SIDA)**

**Madam Speaker and Honourable Members**, earlier on in my speech I offered to elaborate more about development of Strategic Infrastructure Development Agency (SIDA).

The honourable Premier, as the Champion of Infrastructure in the Province, mandated the Department of Public Works to develop the conceptual and legal framework for the implementation of SIDA.

**Honourable members,** I am pleased to report that the status on the establishment of SIDA is as follows:

- Public Works is providing technical and financial support in the early stages of SIDA development;
- The IPMU was appointed at the beginning of October 2020 and is presently working on the Infrastructure Nerve Centre development, Master Planning, the Ocean Economy Strategy as well as the catalytic projects database;
- Budget allocation is being finalized for the renovation of the castle building in Mayville as the home base for SIDA.
- In addition, the structure of SIDA is being finalized.

The development of this agency is to enhance state capacity and ensure the sustainable planning and packaging of infrastructure to achieve socio-economic growth within the infrastructure sector.

The department, working with Provincial Treasury, is currently sourcing the appropriate internal resources to commence engagement with National Treasury to register SIDA as a public entity.

SIDA's objectives are to:

- Facilitate private sector funding for strategic infrastructure projects;
- Transform the construction, maintenance, and management of the infrastructure sector in the Province, and
- Assist government departments with the implementation of Infrastructure Delivery Management System.



## Catalytic Projects

Infrastructure Catalytic Projects are essentially disruptors to the Integrated Infrastructure landscape and are integrated into a portfolio within the KZN Infrastructure Master Plan.

Recent engagements with Implementers has highlighted common structural and administrative deficiencies that needs to be addressed to unblock and fast track the implementation of these projects. These deficiencies include the funding gap for local authorities to fund, for example, a portion of an interchange that will ultimately become another entity's property and the administrative issues that complicate this arrangement).

It is anticipated that recent engagements with Infrastructure South Africa will assist in overcoming these challenges.

The registration of new catalytic projects is a focus area for the 2021/22 financial year. We want to ensure a broader and more diverse portfolio of catalytic projects across all the districts in KZN.

## Provincial Government Precinct

**Honourable Members**, one of the most infrastructure project worth mentioning is the establishment of the Provincial Government Precinct. In a long-term, this will be administered by SIDA.

Despite challenges created by the outbreak of COVID-19, we are steaming ahead with this project which will change the face of this province.

The problem statement is that the continually escalating rentals for functionally inadequate office accommodation is not sustainable. The proposed Provincial Precinct seeks to address this by providing sustainable accommodation developed for the needs of the Province.

The Department is focusing its resources on refining the Master Plan to accommodate the approximately 5000 officials. As part of the sustainable solution the Department is working to ensure that the Precinct does not constrain the infrastructure and contribute to the congestion already being experienced and facilitates solutions to improve the challenges in the area.

A Private Public Partnership (PPP) funding model to raise funds for the construction of government precinct is being explored.

The Department developed the Master Plan for the proposed Provincial Precinct which was well received. Building on this, the Department working with Provincial Treasury is now focused on developing a sustainable financial model. We anticipate engaging the market in a methodical and phased manner during the course of this financial year.

We appreciate the guidance and leadership demonstrated by the Premier regarding this important project. The Premier will continue to report on the progress we are making on behalf of the KZN government.

## **Fallen Heroes of the Department of Public Works**

**Madam Speaker**, at this stage, we pause and dip our banners as a way of paying tribute to our fallen heroes over the past financial. They are too many to mention but we appreciate their individual contribution towards efficient service delivery.

1. Ms. Nokuzola (Zoli) Gumede: Senior Administration Clerk SCM – Asset Fleet Management: Head Office
2. Mr. Sphiwe Maphumulo: Deputy Director: Communication: Head Office
3. Ms Thobile Xaba: Deputy Director: Records Management
4. Ms Nokuthula Mdlangathi: Administration Officer: Office of the HOD
5. Mrs. Thembi Elizabeth Khumalo - Assistant Director: Supply Chain Management: North Coast
6. Mr. M.B Xulu – Human Resource Practitioner: EPMDs: North Coast Region.
7. Ms Samke Khanyile – Deputy Director: Youth, Women Empowerment and People living with Disabilities: Head Office
8. Stella Mazibuko – Administrative Office: Immovable assets Management: Head Office
9. Ms Thandi Buthelezi – Administrative Officer: eThekweni Region
10. Mrs Fikile Luthuli – Deputy Director: Change Management and Service Delivery: Head Office
11. Ms Claire Christopher – Administrative Officer: eThekweni Region
12. Mr Thandwangani Dlamini – Groundsman: eThekweni Region
13. Mr Bonginhlanhla Gumede – Artisan Production A: eThekweni Region
14. Ms CP Nkwanyana – Artisan Painter: North Coast Region
15. Mr Fana Nkosenye Duma – Artisan Production: Southern Region
16. Mr Mattison Bhengu – Handyman: Southern Region
17. Mr Malusi Shezi – Deputy Director: Programme Management
18. Ms Nomusa Ngidi – Human Resource Practitioner: Head Office
19. Mr TL Shabane – Handyman: uGu District
20. Mr Thokozani M Zulu - Registry Clerk: North Coast Region
21. MS ZT NENE: Handyman: UMkhanyakude Sub- District: North Coast Region
22. Mr Eric Ncwane: Handyman: EThekweni Region
23. Ms Nontokozo Ngobese: Administration Clerk : Property Management: EThekweni Region

## **Department of Public Works in Nation Building**

**Honourable Members**, as I draw towards conclusion, I am reminded of the success of the FIFA World Cup which still lingers in our minds.

One lesson we learnt is that with focus, it is possible to deliver the world-class infrastructure that will stand as a monument of what we achieved when we were united behind a common programme. The unity of our people was demonstrated when ordinary members of society participated in infrastructure projects in preparation of the hosting of the visitors to watch the beautiful game.

The 2010 World Cup is gone but we need to recapture the spirit of oneness, friendship and love and remind ourselves that we are a nation destined for greatness.

As an elected public representative I undertake to motivate all categories of staff to work towards delivering on the promise you made as elected servants of the people. Our democracy can only be entrenched and protected in an environment of hard work and service to the electorate.

## **ONGOING SUPPORT TO THE MONARCHY AS AN INSTITUTION**

Flowing from the leadership of the Premier, we wish to affirm our support to the Monarchy as an institution.

The Monarchy remains an office of strategic value in the future of the province of KwaZulu-Natal. This institution gives our province the uniqueness that we must utilise as a competitive edge to advance the social and economic lives of our people and the prosperity of our region.

His Majesty ISILO SamaBandla onke had a close relationship with the Department of Public Works as the department was

responsible for the day-to-day maintenance and upkeep of His Majesty's several Royal Palaces.

At all material times, our officials were on His Majesty's speed dial if He needed some assistance with regard to the palaces. We will continue to build on the solid foundation that has been laid by the leaders of this government in support of the Monarchy.

## **CONCLUSION**

At this stage, I wish to pay tribute to my predecessor, Peggy Nkonyeni. I wish to thank her for a job well-done as Executive Authority responsible for this department. I will conduct myself in a manner that will sustain the work that she started in service of this nation.

I do not underestimate the growing level of confidence that the people of KZN have for the governing party – the African National Congress. I undertake to use the power and authority bestowed by our people solely for their upliftment and realization of a better life for all our people.

These are huge responsibilities but with the support of members of the legislature, portfolio committees, our partners in the labour movements, business community and civil society, our duty will be made easier.

I thank the Honourable Premier Sihle Zikalala for the support and guidance ever since my deployment to this portfolio. As I draw towards conclusion, I know that I can count on the support of the Members of the Executive Council as together we work

on the government's agenda and priorities during this term of office.

I thank the Acting HoD, Mr SP Majola, senior management and all categories of staff at head office, districts and regions for the renewed commitment to serve with efficiency and speed.

I am indebted to my wife, my kids, my family, extended families, neighbours and all the people of KwaZulu-Natal in particular the people of Nquthu.

I present for Budget Vote 14 R1, 695,329 billion for consideration and approval by the Honorable Members of this House.

I thank you