

**Address to the Provincial Legislature by the Hon. Maggie Govender MPL,
Member of the Executive Council, KwaZulu-Natal.**

Madam Speaker;

Deputy Speaker;

Honourable Premier;

Executive Council Colleagues;

Honourable Members; and

Distinguished Guests

Introduction

Honourable Speaker, I stand here today to table the 2009/2010 Budget Speech for the Department of Public Works, a service department that is charged with the provision of comprehensive property and building infrastructure services to KwaZulu-Natal provincial departments.

This, in accordance with job creation is our mandate:

- Acquisition of buildings and land through purchase, hiring and leasing;
- Construction of public buildings, involving the physical erection or major improvements in respect of infrastructure in the building environment;
- Maintenance of public buildings and land, including performing the necessary work to keep the required level of operation; and
- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

At this juncture let me take this opportunity to express words of appreciation to my colleague, the Hon. Lydia Johnson former MEC for Public Works for the work she has done in the department.

The Department of Public Works takes on a role of specific importance in the particular circumstances that we find ourselves in. We are in a global recession. The whole world has resorted to Keynesian economics to once again pull itself towards growth and renewal as had been done in the nineteen-thirties in an attempt to deal with the "Great Depression". The contradiction was ultimately resolved through the Second World War where armaments manufacturers absorbed the surplus labour. Today to absorb any surplus labour we cannot resort to the manufacture of armaments or going to war as the consequences are too ghastly to contemplate.

So we need a new model to accommodate those who are new entrants into the labour market as well as those dislocated as a result of job losses.

We, in KZN, have suffered the greatest job losses in the manufacturing sector of all the provinces in the country. We have to enter into an era of hope and renewal or retreat into despair and despondence.

I believe that it is a moment of renewal and hope for a better future.

The people of South Africa, and in KwaZulu-Natal in particular have placed their hope and faith in this administration. To fulfill this and to make this a period of renewal the Department of Public Works makes the commitment that the operations and activities of this department will be characterised by high levels of dedication, willingness, commitment and hard work. We will ensure alignment and consistency with national and provincial government priorities. As our priority, we will use infrastructural delivery and property management as strategic tools for attracting investments and thereby creating jobs and business opportunities.

In achieving this we have to aggressively inculcate the culture of working together with the entire platter of stakeholders to enhance the achievement of our mandate.

It has not been smooth-sailing but we have delivered within severe constraints and at times in a hostile environment. Although, we have shown consistent and sustained improvement in infrastructural delivery, the pace of service delivery and the infrastructure backlog has remained a problem.

The Department has been looking at new ways of implementing the mandate of our government. These include amongst other things the introduction of people driven and service oriented approaches that are geared towards meeting the needs of the end-users, the people of KwaZulu-Natal.

THE ROLE OF THE DEPARTMENT OF PUBLIC WORKS

Our mandate is to satisfy the needs of our client departments in a way that conforms to meeting government priorities. We will therefore procure service providers that make the greatest use of human capital in providing the goods and services that our clients and customers require. We will do this within the budget provided, for the numbers required, within the time provided for and most importantly at the quality stipulated. These are the marching orders of the department and this is what we will do. We will do this by: -

BUILDING A CARING AND EFFICIENT PUBLIC WORKS DEPARTMENT GEARED TO PROVIDE SERVICE

The President, The Honourable Jacob Zuma spoke of a public service that must be caring, efficient and geared to serve the people. He pledged, on behalf of us all, to the people of this country, that "this administration will insist on putting people first in service delivery,"

To this end we must focus on:

- * eliminating wastage by eradicating tender fraud;
- * our customer service;
- * the maintenance of government buildings and management of state property;
- * improving our delivery time on projects;
- * our supply chain management;
- * cost efficiency; and
- * improving our productivity.

UNDERTAKING RURAL DEVELOPMENT AND AGRARIAN REFORM

It is only with accelerated agrarian reform to enable rural development that we can arrest the movement of people away from rural poverty into urban squalor. Rural development will also ensure food security for vast numbers of our people. Rural development has to be accompanied by infrastructural development thus improving the lives and providing security. In this time of stagnation in the mining, manufacturing and services sectors rural development makes eminent developmental sense.

POVERTY ALLEVIATION AND THE CREATION OF JOB OPPORTUNITIES

The Department of Public Works can, in this period of recession assist in alleviating poverty and unemployment through:

- Meeting the needs of our people through the people being the architects and builders to satisfy their requirements. This means employing labour intensive production methods;
- The significant expansion of the public works programmes linked to the expansion of infrastructure to support social needs;
- A much larger national youth service ensuring the linkage of industrial strategy with key youth development programmes in the form of an integrated Youth Development Strategy that builds our skills base;
- Programmes that target the employment of women, the youth and the disabled;
- Emphasizing a focus on extent to which government and social priorities are met when awarding tenders.

Madam Speaker, the work of the Department of Public Works is divided into three programmes:

Programme 1: Administration

This programme is responsible for the provision of general management support and advisory services to the Department. This incorporates providing support to the Department through rendering advice and support on human resource practices, legal matters and delivering effective financial management services.

Programme 2: Real Estate

Real Estates services constitute a core function of this department and include all forms of acquisition and disposal as well as the hiring and letting of properties.

As well as maintaining a register of assets the department also has the responsibility to implement the Government Immovable Asset Management Act, 2007 (GIAMA).

Programme 3: Provision of Buildings, Structures and Equipment

The main purpose of this programme is the construction of buildings and structures in line with the Department's infrastructure plans and available budget. This programme also deals with the maintenance of government buildings.

Programme 1: Administration

Skills development

Our country is in the grip of a skills shortage and the government has identified skills development and training as part of its priorities. It is crucial to increase our expenditure in terms of investment in human capital because this will improve our capability.

The challenge of scarce skills in the construction and property sectors has impacted negatively on service delivery. The shortage of these skills has forced the Department to outsource many of its activities to the private sector at high cost and at low control.

As the Department of Public Works in KwaZulu-Natal, we intend to continue with programmes aimed at building internal capacity to respond to the infrastructure building programmes of this province. It is on this basis that we have intensified our bursary and internship programmes that are available to students specializing in disciplines such as Engineering, Architecture, Quantity Surveying, Construction, Project Management and Property Management.

Currently there are 7 interns employed in the Department and two of our bursary recipients have been absorbed into posts in the Department. We will continue with the programme of growing our own timber in the next financial year to include a mentorship and training programme for candidate project managers in order to deal with the challenge of limited project managers on our construction sites.

Employment Equity

The Department of Public Works has been historically male dominated. I can however, report some progress in terms of the representation of women in the workforce. Since the 2007/2008 financial year the Department has moved from women constituting 25% of its workforce to an improved situation where women comprise 35% of the workforce. However, we are mindful that much more still will have to be done to reach the 51% mark for women employees. More attention will be paid to gender representivity in this year with clear programmes to prepare women at middle management level to progress into senior management.

We have not yet achieved the 2, 6% target of people with disabilities but intend introducing measures to address this.

The Prevention of Fraud and Corruption

Let it be made clear, in this maiden address, that this administration under my hand shall be free of unethical behaviour such as fraud and corruption to the best of my ability.

All members of the senior management services submitted financial disclosure forms for 2008 - 2009.

Madam Speaker, let me also report that in the just over two months that I have been in this office, I have authorized the firing of 7 officials who have been found guilty of misconduct or of accepting bribes.

Since my assumption of duty in this portfolio I have emphasized the prevention of wastage as well as the clamping down on fraud and corruption. We will be linking up with law enforcement agencies to root out fraud and corruption in the Department. I have also initiated an Asikhulume link on the Department of Public Works website where anyone can comment, lodge complaints and report wrongdoings to me. We appeal to our stakeholders, contractors, landlords and ordinary community members to join hands in this journey of cleansing.

PROGRAMME 2: Real Estate

Madam Speaker, during 2008/9 this programme changed in purpose from Real Estate to Property Management to accommodate a broader mandate and this will be formalized later in this year.

Devolution of Payment of Property Rates

The department prepared for and assumed responsibility for the payment of municipal property rates, following the devolution of the function from the National Department of Public Works to Provincial Departments in April 2008.

Engagement occurred with municipalities and the Department of National Public Works to reconcile the property registers, property values and historical payment records, in preparation for billing and payments. This has now been finalised.

Government-wide Immovable Asset Management Act, 2007 (GIAMA) implementation

The promulgation of GIAMA in November 2007 entails provinces preparing themselves for its implementation in 2010. GIAMA is intended to ensure that government buildings do not deteriorate and are properly maintained. It also places an obligation on client departments to make provision for the maintenance of facilities in their budgets.

Launch of the Property Incubator and Izandla Ziyagezana Programmes

Property Incubator Programme

During apartheid some of the racist laws relating to ownership disenfranchised black people and women and precluded them from entering the property market both as owners and entrepreneurs. This resulted to a skewed pattern of property ownership which left millions of black people as landless class. This deprivation led to black people in general and women specifically playing a very limited role in the property business.

The Property Incubator policy was developed and approved in September 2008 to broaden the property industry skills base amongst previously disadvantaged

communities. Due to budgetary constraints the Department was unable to proceed with the Property Incubator Programme last year.

I am happy to announce that in the 2009/2010 financial year the Department will forge ahead with this programme and 75 people will be trained and afforded business development opportunities in the property development and management sector.

Advertisements have already been published in the newspapers for those interested in being trained in various aspects of property management. This is a second economy intervention as well as skills development since once the skills have been acquired, the participants can market them anywhere. The Department intends to also focus on property valuation through this project. Youth, women and non-statutory military veterans are amongst the targeted groups for this project.

Izandla Ziyagezana

The decision taken in 2007/08 to diversify the Expanded Public Works Programme (EPWP) into the property sector resulted in the development and piloting of the Izandla Ziyagezana Programme (an EPWP property sector initiative), which commenced in 2008/09. Beneficiaries were selected from the poorest community members and contracted to clear vacant state properties over an initial one-year period at EPWP defined rates of payment. By the end of the third quarter, the programme was launched in the Ugu, eThekweni, uMgungundlovu and Uthukela districts, with 45 Izandla Ziyagezana contractors contracted to clear vacant public premises in their localities.

One of the positive features of this programme is that its beneficiaries enjoy employment for a period of 12 months.

This programme has generated considerable interest at the national level where other provinces intend emulating it in its current form. We intend expanding the Izandla Ziyagezana programme to cover the entire province.

Transfers of properties from various organs of the state, such as municipalities, to the Province of KwaZulu-Natal

There were 608 properties from the Umzimkulu municipality that were identified for transfer from the Eastern Cape to KwaZulu-Natal. In addition, 1500 Ingonyama Trust

Land properties, mainly rural schools, were identified for vesting with the province. Progress towards transfer is dependent on the Department of Local Government and Traditional Affairs facilitating agreements with traditional leaders on the surveyed boundaries of the properties to be transferred.

94 properties were successfully vested in the first two quarters of 2008/09.

Valuations

To ensure that the province has up-to-date valuations of its properties, the department populated the Fixed Asset Register from the municipal valuation rolls. This task has been completed in all municipalities where valuation rolls are available.

Programme 3: Provision of Buildings, Structures and Equipment

Infrastructure delivery

The construction of a total of 240 Classrooms and 626 toilets was completed in the 2008/9 financial year. Some of the projects had to be put on hold due to funding constraints. Client departments also engaged the Department of Public Works to provide maintenance and renovations services. This resulted in an overall amount of **R1,576 billion** budget expenditure in the entire province

Second economy interventions

Broad Based Black Economic Empowerment (BBBEE)

The Departmental BBBEE policy was approved to guide interventions by the department. The Department has embarked on several sector-specific capacity building programmes:

The Masakhe Emerging Contractor Development Programme (ECDP)

The Masakhe Emerging Contractor Development Programme (ECDP) aims to empower previously disadvantaged communities (particularly women and youth) in the contractor environment by providing training, mentoring and exposure to the industry. The implementation activities have led to the achievement of the following:

- Registration of contractors on the Masakhe ECDP database;

- Training of contractors;
- Conclusion and implementation of the Masakhe Fixed Rate Period Contract, from which selected emerging contractors provide their services for urgent and emergency projects up to R1 million on a rotational system, to ensure all emerging contractors get exposure.
- Mentorship programmes.
- The exploration of funding and technical partnerships

In the 2008/9 period a total of 10,523 contractors were trained in various skills through the Masakhe Emerging Contractors Development programme..

In the same year the Fixed Rate Period Contractor Programme was implemented which resulted in contracts to the value of R54,814,759 being awarded. The fixed rate period contract will be evaluated in its current form and be amended accordingly as it continues to be a cornerstone of contractor development.

Liaison with stakeholders and communities

The Department of Public Works has engaged with stakeholders to showcase our vision where the new Departmental roster system that promotes transformation. I was pleased to see that the well established professional consultants accepted this change and promised to assist the Department in its implementation. This illustrates that communication between the Department and stakeholders is crucial for the improvement of service delivery.

The Department has already established fora for contractors both at regional and provincial levels. It is also necessary to establish a forum for landlords to enable transparent governance. Annual Summits for youth and women involved in construction are convened by the Department.

The Department is currently looking at ways and means through which ordinary citizens can interact with the Department on a regular basis. They are needed as our eyes and ears on the ground.

Suppliers are the secondary beneficiaries of infrastructure development. Government is the largest customer of such suppliers due to our massive infrastructure and

housing programmes. We pay enormous sums for materials and other services. There is a perception that government is a soft target from which excessive profit can be squeezed. Together with our sister department, the Department of Human Settlements, we intend discussing the exorbitant costs of materials and services with our suppliers so that we can arrive at an agreement that allows us to provide our people with better products and services at more affordable prices.

Second Economy Interventions

Building on existing programmes, the Department will increase its focus on these following programmes: -

Expanded Public Works Programme

This programme has demonstrated its ability to create jobs. In the current financial crisis, this is the major tool government will use to create jobs. The Department intends to take advantage of the current conditional incentive grant to increase job opportunities. We have set a target of 24000 jobs for the current financial year having achieved a total of 20 755 short-term jobs in the 2008/9 financial year

These beneficiaries of the Expanded Public Works Programme (EPWP) consisted of 5219 women, 10833 youth, 302 people with disabilities and 4401 people belonging to other groups. The total figure for 2008/2009 has exceeded the target that was set.

National Youth Service (NYS) Programme

The Department recruited 600 learners for the NYS programme, with the objective of contributing to the National Youth Service Programme by developing the construction, business and life skills of the youth and to raise their level of patriotism in the process of delivering infrastructure to local communities.

A total of 178 NYS learners, drawn from all the district municipalities, completed six months of classroom-based training in bricklaying and plastering (NQF 3). They were subsequently placed in infrastructure projects for in-service training for a period of six months that terminated in February 2009.

Madam Speaker, I stand here proud of this programme. The National Youth Service (NYS) was initially started by the Department in 2007/8 and has resulted in 166 youth being trained. 166 more young people will be graduating in September 2009.

I am proud to say that although no additional resources were provided to this Department for the NYS programme the Department prioritized and implemented it successfully.

The NYS programme will continue in 2009/10 with a target of 160 young people. Preparatory work for 2009/10 NYS training has been conducted.

As part of our NYS exit strategy the Department will partner with the Department of Local Government and Traditional Affairs to ensure that the youth who have gone through this programme secure employment in the various municipalities.

Madam Speaker, I wish to applaud the contractors who have worked cooperatively with our Department in training the NYS learners. This speaks volumes in terms of the importance of sound Public-Private Partnerships. Our collective effort and dedication will see us through the challenges we are facing as a country. Together we can do more.

Building internal capacity

As has been indicated earlier there will be more focus on the internal capacity as well. This will include an audit of staff capacity so that clear job profiling and job matching can be done in line with the new mandate. Such a project includes more training of women in the department and their job placement at various stations to ensure practical exposure and mentorship thus facilitating their readiness for senior management positions as well as their registration for the Kaedu programme.

We will continue to offer bursaries and internship programmes within the department. There will however be a shift in how we offer bursaries as we move forward. To support the rural development programme, the department has decided that the 60% of the bursaries will have to be awarded to people from rural areas. In this way the department will be addressing the inability to attract professional engineers to work in these areas as well.

Agrarian Reform

Madam Speaker, our core business is property management and infrastructure delivery. Using our mandate, this will be the contribution of the department to this priority. The establishment of food gardens will form part of the Izandla Ziyagezana

programme. Currently we are finalizing guidelines as to how the beneficiation process will be conducted. In addition we will incorporate food gardens in all our district offices where land is available. We will also as part of the planning and design for government infrastructure include space for community gardens.

Property management

Madam Speaker, we started last year with the implementation of property rate payments and with the 99.5% achieved last year we hope to achieve a target of 100% payment in the 2009/2010 financial year. We must say however that there is a shortfall in the budget for the payment of property rates and currently our Department is engaged in negotiation with all role players to ensure that there is an amount added to the conditional grant for the 2009/10 and beyond.

GIAMA implementation

As part of the implementation of GIAMA, we will ensure that all 16 departments have their User-AMPS and as the custodian of immovable assets we will have a Custodian-AMP. I must mention Madam Speaker and Members of the House that all government departments will be expected to implement the User-AMPS and we will assist the departments to comply.

Fixed asset register

Mindful of the fact that the exemption by the Auditor-General ceases at the end of this year, it is possible that all departments might find themselves audited in respect of immovable asserts. The Department of Public Works will continue to update the fixed asset register and as such will assist departments to ensure compliance with Treasury requirements on this matter We will also take on the project of ensuring that government buildings are adapted to meet the needs of people with disabilities. We intend using the NYS learners to ensure this.

Infrastructure delivery

In addition to improving the office accommodation and accessibility of the Department, we will continue to deliver on infrastructure on behalf of client departments. We however appeal to client departments to submit their infrastructure plans timeously to ensure that these can be dealt with effectively.

Introduction of the programme management approach

The programme management approach entails clustering like projects under a single umbrella under the stewardship of a single programme manager to ensure effectiveness and efficiency. This will result in savings in both travel and communication costs.

Good governance

As our Minister of Finance, The Honourable Pravin Gordhan has iterated there needs to be a culture of serving and nation building in the public service. The Department will strive to be customer friendly, accessible, courteous and honest in our dealings with the public and client departments. The public and our clients are invited to hold us to this pledge.

Conclusion

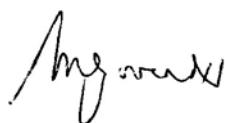
In conclusion Madam Speaker, I would like to express my gratitude to the Premier, Dr Zweli Mkhize and my Cabinet and Legislature colleagues for their support and assistance. My appreciation also goes to the Head of Department, Dr Madlopha, the senior management team and staff who have made my work in the department a more informed one. I look forward to working with them and I believe together we can do more. A word of appreciation goes to the oversight committees for their support and guidance through their constructive criticism. A special thanks to my hardworking and dedicated staff in the Ministry as well as to the Communications team.

I also want to record my gratitude to my family for their support and a special acknowledgement to Charm Govender for his advice and assistance.

Last but not least I would like to dedicate this, my maiden Budget Speech to the KwaZulu-Natal Legislature to Billy Nair, comrade, friend, mentor, leader and compatriot.

Madam Speaker, it is now my pleasure to present the budget for 2009/10 for approval as follows:

Programme 1: Administration	R204,849 million
Programme 2: Real Estate	R262,001 million
Programme 3: Provision of Buildings, Structures and Equipment	R400,590 million
Total:	R867 440 million



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