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BUDGET SPEECH VOTE14



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MEC FOR THE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE



KWAZULU-NATAL PROVINCE
PUBLIC WORKS & INFRASTRUCTURE
REPUBLIC OF SOUTH AFRICA



BUDGET SPEECH

House Chair

Members of the Provincial Legislature

Director General and Heads of Departments

Distinguished Guests

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

Members of the media present

All protocol observed.

This budget address is underpinned by our theme for the 2025/26 financial year “Building KZN Better towards a smart future”. The theme is adopted in line with the global shift that embraces artificial intelligence (AI).

Often, I joke that if I were to write a book about my department, the title would be “What Now?”, because every so often this is what I find myself asking, as at any given time something needs urgent attention in this department. However, the “What Now’s?” have become less and less, and as we continue to make significant changes, I then find myself asking “What’s Next?” – a more refreshing and exciting title for any book, I’m sure we can all agree.

Well, before we go into what’s next, let me take a moment first to outline what I found when I came into office – the true state of affairs at KZN Public Works and Infrastructure. Numbers don’t lie... and ours’ told a shocking truth of the financial health the department was in.

It is a well-known fact that our province of KwaZulu-Natal is in dire financial straits. This is also reflective across provincial government departments, hence the ongoing emphasis. The Government of Provincial Unity must at all material times remain prudent, especially when it comes to finances. This also applies to KZN Public Works and Infrastructure.

RESOLVING IRREGULAR EXPENDITURE

To strengthen the province's finances and reduce irregular expenditure, Hon. Premier Thami Ntuli and MEC for Treasury Hon. Francois Rodgers made a strong call a year ago for departments to adopt cost-cutting measures and demonstrate financial restraint where necessary. The KwaZulu-Natal Department of Public Works and Infrastructure implemented strict financial controls in response to these declarations, which would instantly resolve the backlog of previous years' irregular expenditure. Among the strategies adopted to combat irregular spending were the following measures:

- Obtain and analyse all facts and roles players related to the alleged non-compliance and transgression as listed in Auditor General's findings.
- Conduct interviews with staff to understand the Department's systems and processes relating to the lease management.
- Identify systems and internal control deficiencies giving rise to reported irregular expenditure including engagement with other role players as determined by the investigations.
- Report on factual findings and advise the Department of the recommended course of action relating to remediation of control weaknesses that led to the irregular expenditure.
- Provide details of breakdown in the designated internal control and confirmation if it is suspected that there is possible fraudulent, corrupt, or other criminal conduct.

Madam Speaker, the department provided an Irregular Expenditure Register for the period 2016 – 2023. There was a total of R 538 807 239.07 of irregular expenditure recorded over the period incurred across the four regions (eThekweni, North Coast, Midlands, and Southern Region). The department completed a total of 44 assessment and determination reports with a total of R 309 854 916.49. This represented 58% of the total irregular expenditure of the department related to leases of immovable asset management component. Applications were made to treasury for the above 44 AD reports, which were all condoned. Over and above that, we would like to report that

from the balance of 102 files, the department has made significant progress in reducing irregular expenditure. The department is now down to 79 files, and about R87m remains to be condoned.

INTER-DEPARTMENTAL ACCOUNTS

Madam Speaker, the subject matter of Inter-Departmental Accounts (IDA) is still an intricate and thorny issue that is unsettling. However, the department seeks to improve the way it collaborates and operates as a cohesive unit. Unfortunately, uncontrolled reduction in the settlement of Inter-Departmental Accounts by client departments has been observed with concern. This cannot be the norm and cannot continue as is. The Government of Provincial Unity has bestowed upon us all to work together smoothly and constantly enhance our joint efforts to serve the province.

It is for this reason that the department has engaged client departments through various client liaison forums to ensure speedy resolution of disputes and payment facilitation of the Inter-Departmental Accounts of more than 120 days. Provincial Treasury was to promote timeous settlement of accounts as per the National instruction note on IDA. In the 2025/26 financial year, the department will only accept new projects requests from client departments by considering progress made on settlement of claims. This aims to ensure that the department does not continue with new projects where there is a backlog on unpaid claims.

On the other hand, the total value of outstanding payments to the department stood at a staggering R737,4 million. This severely hindered other financial obligations that we must honor as a department. Our records pointed to the fact that, there was a single client with an outstanding debt calculated in the region of R426,4 million, which amounts to 64% of our total debt.

We are happy to say that as of the 10th of February 2025, through implemented measures we have received over R71 million in payments, with more coming soon.

We extend a word of appreciation to those who have paid us. To those who are yet to do so, we would encourage you to come forward and talk to us about a possible

solution. Going forward, the KwaZulu-Natal Public Works and Infrastructure department is no longer a cash cow, but a thorough bred race horse. This is a new KZN Public Works and Infrastructure.

RESOLVING NON-PAYMENT OF CONTRACTORS

As a department, we were owing tens of millions of rands to unpaid contractors. We realized the importance of attending to these issues which saw us apply strict financial controls, and as a result R500 million was freed up to urgently pay the contractors just in time for the Christmas period last year.

The department initiated a face-to-face engagement with the disgruntled contractor representatives in a closed-door sit-down where they were offered a platform to vent their grievances. While the meeting was in progress it came to light that these were in fact subcontractors and some of them had not been paid for a period of two years, for work done. As a result, this pushed them into a financial corner where they had to do what was necessary to survive, including taking out personal loans – one contractor revealed he was drowning in a R2 million loan debt, while others had to sell their cars. Many of them were also women who had struggled to provide for their children or put them through schools.

Madam Speaker, the department is aware of the shocking exploitation faced by contractors where they are forced to pay officials for facilitating what is called a “Thank you Payment” so that contractors can have payments rightfully owed to them released for work done. No contractor should ever pay any official to have their payment released. We are pleading with contractors who have experienced this or have evidence, to not hesitate to come forward – we will find and punish those officials behind this.

Two issues then became apparent – firstly, there was a lack of proper communication and cooperation between the implementing agent, the main contractor, and

subcontractors, while the projects were in progress. Secondly, their stories of frustration were among those shared by many others whom we had encountered. It became evident that there was a lack of knowledge of the procurement and payment system of projects.

Part of the solution that we proposed was that we needed to create a platform that would bring together contractors, consultants, skilled workers, departmental officials involved in the procurement system and projects. This initiative will be extended to include various forums within the built environment as well as traditional and local leaders. On behalf of the department, I am delighted to apprise the people of KwaZulu-Natal that the Contractors Imbizo, as it will be officially known, will go from district to district starting in eThekweni, then branching out to areas like Richards Bay, Zululand, and Ugu. It is anticipated that hundreds of contractors, subcontractors, and locals form part of the roadshow's contribution and success. Plans are well underway, and we look forward to rolling it out.

COST-CUTTING MEASURES

To everyone here today, we want to make it known that, as KZN Public Works and Infrastructure, we are serious about our commitment on debt reduction and unnecessary spending in line with cost cutting measures imposed by government. During the tabling of the last budget speech presentation, we made an announcement that, we had delivered it with a budget of merely R300. This was a huge fat trimming from the previous budget held at a cost of nearly R300 000. However, we did not stop there.

We have also:

- Not procured any branding or images of myself, as MEC, on any wall, structure, billboard, pamphlet, booklet, leaflet – you name it.
- For the first time, we did not distribute diaries and calendars – by doing so reducing procurement costs.
- We have done away with catering services for meetings and office refreshments.

- Taken a resolution that as first port of call officials and employees use the department vehicles.
- Drastically reduced ministerial spending. During the 2022/23 financial year, R6 million was accumulated in ministerial spending costs. When we took up office in July 2024, the Ministry had already spent R1.910 million in the 2024/25 financial year.
- A closer inspection revealed that contributing factors were non-essential travels, associated costs such as Subsistence and Travelling (S&Ts), logistics, accommodation etc. This includes a bloated ministerial staff compliment during official travel which has led to travel claims as exorbitant as R40 000 per month per ministerial staff member. Our office took a completely different approach to this, by only travelling when it is necessary. Such an approach only makes provision for officials who have a key role to play and making use of modest accommodation facilities. The result is an astonishing contrast in that in just 6 months since coming into office our ministerial spend became significantly reduced to an amount of R237 000. This is a huge contrast to the R1 million spent in one month by the previous ministry.

For us, cost-cutting is not a mere PR exercise. It is part and parcel of the new KZN Public Works and Infrastructure. The department is committed to cost cutting measures to further enhance our internal operations including reduction on excessive abuse of tools of trade by officials.

Madam Speaker, when we came into office one of the directives I issued was for a full audit on the number of cell phone contracts, devices issued per person and amounts paid for the operation of these tools of trade. Completed audits of our cellphone contracts billing and issuing revealed that the department was paying R670 000 each month for cellphone contracts. Out of this amount, R192 000 constituted irregular, fruitless, and wasteful expenditure per month. This translates to R2,3 million that the department was paying while officials continued to abuse resources.

Findings also showed that some officials, while entitled to cellphones, were somehow in possession of numerous devices, with one senior official being in possession of as much as four cellphones. In addition to this, it was discovered that the department was still servicing cell phone contracts for devices issued to officials who were no longer under the employ of the department, including contracts exceeding policy limits, and extended contract durations.

With these findings, the department immediately took necessary steps which included the undertaking of a thorough investigation into the misuse of cellphone contracts.

Under a new revised policy, cellphone contracts are now registered in the names of the respective officials, with the department providing a monthly subsidy of up to R500.00 (inclusive of VAT) for data allowances. Officials are permitted to select a package from the Restricted Tender (RT)-approved list within the subsidy amount, with any additional costs coming from the official's own pocket. Those who continue to abuse resources will answer the call of accountability.

We want to make this clear... KZN Public Works and Infrastructure will no longer tolerate abuse of resources, finances and contravention of applicable policies otherwise. Those implicated WILL face the music. This is a new Public Works and Infrastructure

PROJECT DISRUPTIONS

One of the things that was a thorn for the department was the issue of ongoing project disruptions. This did not only cost the department time in delays, but also a lot of financial resources. At the height of this, the department was sitting with as much as 50 blocked projects. These are defined as projects where work has come to a dead stop through various reasons, including non-payment, supply issues, contractor disputes or external factors such as community protests or intentional disruptions

through extortion. For the longest time, there seemed to be no tangible solution to these issues, often with the department forced to simply sit back and hope for the best.

While hope is a good thing, it often does not go down well as a solid strategy – which is what was immediately implemented. Our solid strategy approach included the establishment of the Interim Rapid Response Team (RRT). The RRT is tasked with the mandate to speedily resolve challenges of material irregularities, probe challenges with financial management, delays in procurement processes, fraud and corruption and non-compliance with regulatory requirements, especially with the payment of suppliers.

On behalf of the department, we are proud to say that the team hit the ground running and in the first few weeks of its establishment had successfully unlocked projects to the value of R270 million. The team reports on a weekly basis to the Acting Head of Department, Dr Vish Govender and continues to excel in its mandate under his guidance.

As previously mentioned, the elements that contributed to project disruptions were extortionists. To this end, we take a firm stand against such selfish, self-enriching acts and drew a proverbial line in the sand to put an end to these disruptions that rob communities of much-needed hospitals, schools, and other infrastructure. Anyone who agrees with the aforesaid is welcome to stand with us side-by-side so that we can work together in harmony to build KZN better. The result has been an overwhelming support with various organizations and groups meeting with the department to offer their help and thereby denouncing such acts. One of them is the Black Business Federation (BBF). We also had engagements with the various organizations that represent the architectural sector, including the head of law enforcement unit dedicated to fighting armed disruptions on the ground. Since then, we have seen huge decline in projects deemed disrupted. Tongaat Special School, Enyokeni Amphitheatre, Menzi High, and Faith Mlaba Primary, are some of the projects that were initially disrupted, just to name a few. However, post our intervention no further disruptions were recorded.

We are proud that where KZN leads, the rest of the country follows and emulates. The strong action against extortionists is now a national priority. This proves that we lead and others take note and follow.

This makes us very proud because cost effective, timeous and accountable service delivery is one of my party's mandates, the Democratic Alliance, within the Government of Provincial Unity.

BUILDING A CAPABLE AND CORRUPTION-FREE DEPARTMENT

Another mandate that has been given to us by the people of KwaZulu-Natal is the paramount issue of accountability, which is emboldened in this GPU. This does not only refer to how taxpayers' monies are spent, but it also speaks to holding those who have deliberately manipulated systems in place to line their own pockets while crippling this department.

Previously, a commitment was made for the KZN Public Works and Infrastructure to operate transparently in a corruption-free environment. That is why over the past few months, since coming into office, many of the citizens of KZN have been hearing of several measures taken against certain individuals. Some of these were measures that were part of recommendations and findings from the previous administration but were never implemented – which speaks volumes about the determination to root out corruption.

For instance, 10 forensic investigations were conducted by the Office of The Premier but were never implemented prior to this administration's tenure. Now they have been implemented. This has resulted in a total of 39 disciplinary actions being taken ranging from warnings, final written warnings, and suspensions without pay. Actions taken against Senior Management Services members have resulted in the dismissal of a Supply Chain Management Director for gross tender awarding mismanagement which cost the department hundreds of millions in rands. The summary dismissal of an Acting Deputy-Director General who was found guilty on two counts of gross negligence and

dereliction of duties. This includes the voluntary resignation during disciplinary proceedings while facing four charges of gross negligence in the performance of functions.

When processes are not done correctly, as they should be from the start, the fallout, and efforts to mitigate and rectify end up costing the department much more than they should. At times these costs can run into the hundreds of thousands of millions in rands – money we simply cannot afford to waste. Another area where we observed this taking place was in the tender bidding processes. Previously, all bidding processes were conducted behind closed doors. This meant that the processes were often vulnerable to rigging before they even began. It became apparent that the same bidders would be awarded contracts frequently over others who equally met the criteria. This pointed to the fact that almost all contracts awarded would be disputed. This resulted in costly legal challenges and delayed projects getting off the ground on time.

Madam Speaker, to mitigate this, a need for a groundbreaking, first-of-its-kind intervention was identified. This followed the meticulous guidance by the Acting Head of Department, Dr Vish Govender, as KZN DPW&I implemented its Audio Recording Visual system. Non-negotiable conditions were attached to the system including that all bid participants and panelists would subject themselves to conducting interviews on camera and have all audio and verbal interactions recorded. Secondly any bidder refusing to subject themselves to this process would immediately be disqualified. Thirdly the system allows officials to go back and conduct assessments to pick up on any irregularities during the vetting process and conduct investigations, if need be. The results have been astonishing – since implementing the system, we have conducted over 10 bidding processes, awarded over 10 tender contracts with 0 disputes. The efficient digital system the department has implemented covers all gaps, leaving no stone unturned which means there is no chance of minutes going missing or being amended. Gone are the days when officials collude with bidders leaving the department to take their word for it.

This is a new KZN Public Works and Infrastructure. No brown envelopes; no favours for friends. If you think you can use KZN Public Works and Infrastructure to line your

pockets, I have a message for you... Don't call us, and we most certainly will call the police.

WOMEN EMPOWERMENT

KZN Public Works and Infrastructure has committed itself to work for the public. This also means empowerment of various segments of the public, including others who may have been previously marginalized like women. We can no longer have a one-sided economic participation where some are sidelined. The department has made meaningful strides in this regard.

During the departmental Women's Month commemoration event held at Pietermaritzburg, in August 2024, the floor was opened for engagement with women who intend to make headway in the construction sector.

From this a Women in Construction Advisory Body (WICAB) was established. Which the women themselves decided to call SheBuilds

This will be a team of dedicated, qualified women who hold various applicable gradings within the construction sector. Their core mandate is to identify issues faced by women-led projects, advise on best solutions, and provide ongoing assistance to remove any stumbling blocks.

The first meeting registered a huge success. Among other things set out, the terms of reference and an initial outline of the way forward concluded the day's proceedings. We are extremely proud to announce that the meeting saw female leadership identifying several crucial challenges facing women-led projects. Such challenges include the following:

- Discriminatory Black Economic Empowerment (BEE) procurement processes which still score youth applicants higher over women
- Red tape and financial limitations imposed by financial institutions.
- Outdated legislation
- Increased targeting by extortionists who view women as an easier target.

- The outdated tender advertisements, application and submission system which is still largely physical while we live in the digital era
- A lower-than-desirable appetite by big banks to fund women-led projects.

To this end, we will soon be meeting with various financial institutions to better understand their concerns.

Things are changing for the better among the women in this Province. It is exciting to address some of the obstacles which threaten inroads by women in construction. Soon I will be meeting with my national counterpart, Minister Dean Macpherson, to see how we can make legislation keep up with the times. If we are to build KZN better for the future, we cannot be held back by limitations of the past.

We are proud of how far we have come in the last few months since the dawn of the GPU administration, and we are excited about what lies ahead. In this regard, this is how we will Build KZN Better towards a smart future.

Programme 1: Administration – R467million (23.05 %)

The primary goal of Programme One is provide strategic leadership and comprehensive management. Other roles include assisting the Executive Authority, developing a healthy business culture, aiding and guidance on human resources and legal issues. Effective use of digital infrastructure like the Information Communication Technology (ICT) is one of the key focus areas under this programme.

The Programme also assures the implementation of Monitoring and Evaluation (M&E) systems, as well as providing strong Financial Management, Risk Management and Supply Chain Management Services.

The programme's budget is distributed as follows:

- | | |
|-------------------------------|-------------------|
| ● Compensation of employees: | R 354.070 million |
| ● Goods & services: | R 103.068 million |
| ● Transfers & subsidies: | R 6.687 million |
| ● Payment for Capital Assets: | R 5.825 million |

CREATING A CULTURE OF EFFICIENCY, ENSURING DEPARTMENTAL STABILITY AND PROFESSIONALIZING PUBLIC SERVICE

Madam Speaker, the Department of Public Works and Infrastructure will continue to reinvent itself as a key partner in areas where it is most needed. To address the extensive and diverse needs of these communities, the department has consciously chosen to invest in the technocrat selection process, and purposefully demanded competence in attracting and appointing suitably qualified candidates via a rigorous Human Resource procedure. We strive to recruit public officials who recognize that public service is a calling, not simply a job, but a commitment to serve at the behest and pleasure of the people of KwaZulu-Natal. We seek to reinstall a culture of integrity, dedication, and purposefulness.

This financial year 2025/26, we are taking it a notch higher, by striving to uncompromisingly professionalize Public Works and Infrastructure where necessary. Plans for a clear roadmap which envisions a capable workforce have been established. This department has been characterized by unflinching standards of conduct, accountability, and par excellence. Recently the department has also been hailed as a public sector pioneer for exposing unethical recruitment processes, quashing and invalidating years of nepotism in the execution of such processes. This was accomplished by simply laying a new foundation, by introducing a real time electronic monitoring system during interviews for candidates, introduction and adoption for policies which advocate for unprejudiced recruitment practices, ongoing peer education for Human Resources staff, strengthening the internal whistleblower mechanisms.

It is with complete confidence that a professionalised department like KZN DPW&I would foster an environment of honesty, openness and respect as we address years of distrust and being labelled as a department that tolerates nepotism. Maintaining the highest standards in the future will assist in building public trust and inspire confidence in the department. The KZN citizens deserve to be served by devoted, well-informed and professional public servants.

Members of the House, in the 2024/25 financial year the department has managed to fill 29 vacant posts which are pitched at various occupational levels. These posts consist of four Senior, one Middle and three Junior Management positions, whilst three were professional technical and 11 administrative posts.

In terms of vacant posts, the approved departmental Human Resources Plan (HRP) contains 31 vacant posts to be filled during the 2025/26 financial year, subject to the availability of funds.

It is also time for KZN Public Works and Infrastructure to return to its core mandate which timeous and efficient maintenance of schools, clinics and other assets belonging to provincial government. To this regard, the department will prioritize on cutting down the high vacancy rate. Gone are the days when this department paid exorbitant amounts to contractors to fix our doors and properties. This is why are partnering with TVET colleges to do this faster, cheaper and better. We will employ our own plumbers, our own electricians, our own carpenters, and we will work to making our buildings something the people can be proud of, this is a new Public Works and Infrastructure,

DEPARTMENTAL DIGITALIZATION PLAN

Honourable Members, the department has for the first time taken a progressive move to go digital in order to fully embrace technology in line with the Fourth Industrial Revolution demands. Engagements with potential partners are already at an advanced stage. For the 2025/26 financial year, we commit to building a smarter KZN by:

- Develop and implement digital services accessible to citizens.
- Develop a paperless system which will save the department millions of rand.
- Use of digital tools & technologies to reduce admin burden.
- Data security & privacy of citizen data
- Foster innovation in support of digital services
- Utilise digital tools & technologies to improve the transparency in government operations and facilitate citizen engagement.

- Enhance ICT digital literacy opportunities in technological innovation and workforce readiness.
- Enable departmental processes to be automated through the network by orchestrating changes as they occur in the application environment. Automation will increase productivity, reduces paperwork, streamlines processes, improves compliance and simplifies complex processes.

The department will uphold its pledge by tracking progress against established objectives, ensuring that deliverables are delivered effectively, and meeting milestones. Evaluation of the initiative's efficacy and efficiency, including if the projected advantages have been realized. The ultimate objective is for KZN Public Works and Infrastructure to become totally digital, eliminating the need for paper documentation. This would save us up to R4 million in printing costs, as well as additional savings in transportation, as documents must presently be physically delivered by drivers.

This process will also benefit contractors. During one of our recent discussions with contractors, they explained how the present outmoded method requires them to forsake other commitments and travel several kilometres from wherever they are in the province to hand off physical papers at the Pietermaritzburg headquarters. Sometimes they are ordered to return to address a mundane issue on the document. Tender advertisements are no exception. Some have indicated that they have been forced to leave everything and travel long distances in search of jobs posted on the departmental notice boards. Since time equals money, they lose both. Then there is the issue of missing document pages.

Therefore, once completed, the digitalization move will see all tender documents submitted electronically. This will not only save time but ensure that all documents are captured in the system.

The digitalization process will cost the department an estimated amount of R3 million for a period of three years.

In contrast to the R4 million spent on printing, this translates to a saving of R1 million per year, which we will put back into building a smarter KZN Public Works and Infrastructure.

COMBATING WRONGDOING, PROMOTING CLEAN GOVERNANCE

Madam Speaker, it is public knowledge that the Department of Public Works and Infrastructure has adopted a firm position of combating corruption and financial mismanagement. Moving forward, checks and balances will be thoroughly scrutinised and verified accordingly as part of meeting an obligation to account to the public for every rand and cent at the disposal of the department. This department unreservedly encourages public scrutiny of its financial affairs. Given this context, the department recently launched the Governance and Ethics Desk which reports to the Office of the Head of Department. This initiative is aimed at promoting ethical leadership, enhance governance structures, and ensure compliance with legislative and regulatory requirements, particularly for Senior Management Services (SMS).

Members of this August House, sceptics have falsely interpreted our calls for accountability as a witch-hunt and political purge, but despite significant opposition to a clean government, the department has pressed ahead in its pursuit of accountability and openness.

Honourable Premier, the Department of Public Works and Infrastructure is unequivocally committed to collaborating with your office's forensic investigation and integrity management section. Furthermore, we note that your office has set aside R41 million to strengthen the fight against financial misconduct and eliminate corruption networks. This financial year, we will enhance and execute an effective whistleblower framework to safeguard them from reprisal by wrongdoers. The department intends to make reporting methods more confidential, implement more whistleblower awareness programs, strengthen reporting lines for whistleblowers, and develop new platforms such as online digital systems and anonymous digital tip-off lines. Such concepts will assist in running an efficient and clean government. The department will also reprioritize an allocation of financial resources from its baseline to automate aspects of the procurement system. This end-to-end system will enhance transparency,

integrity, and oversight throughout the procurement processes. A credible audit trail will be established, strengthening consequence management in the event of any detected transgressions.

Madam Speaker, we pledge to develop a collaboration based on openness and accountability with the Auditor-General's (AG) Office. This is accountability through engaging with the Auditor-General, the Public Service Commission, and various civil society watchdogs to acquire their assistance to achieve our goal of clean, efficient department. KZN Public Works and Infrastructure is committed to transparency.

YOUTH AND SKILLS DEVELOPMENT

The department is cognizant of its role in developing skilled young people in the built environment. The staggering number of young unemployed promising students has prompted the department to award an additional thirty-four (34) young promising students pursuing degrees in built environment studies. Furthermore, the department has placed forty-nine (49) interns with built environment qualifications.

PROGRAMME 2: Public Works Infrastructure – R1, 520.832 billion (74.64%)

The main purpose of Programme 2 is to:

- Provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, management, maintenance and disposal).
- Ensure optimal utilisation of immovable assets, land valuation, maintenance of the Fixed Asset Register project, payment of property rates and integrated service delivery.
- Include the GIAMA – Condition Assessments budget, improving integrated service delivery in the provision of buildings and structures.
- Create an enabling environment for affirmable business enterprises.
- Initiating, co-ordinating strategic partnerships and aligning operational activities in line with municipal demarcations.

Programme 2 also includes the leasing of buildings for the department with the budget allocation distributed as follows:

● Compensation of employees:	R 388.579 million
● Goods & services:	R 155. 833 million
● Transfers & subsidies:	R 960.014 million
● Payment for Capital Assets:	R 16.406 million

Madam Speaker, it is critical that this Government of Provincial Unity invests in infrastructure as a key driver for economic growth, job creation and green technological innovation. Last fiscal year, a bold pledge was made to develop an aggressive turnaround approach for delivering infrastructure at a fraction of the time. Various initiatives, such as the formation of the departmental Rapid Response Team (RRT) and the hosting of the Annual Build KZN Better Conference, have propelled the department's significant improvement and repositioning it as the custodian of all government infrastructure. Given this backdrop, the newly constituted Department of Public Works and Infrastructure, will make a bold proposition to the Department of Corporative Governance and Traditional Affairs (COGTA) and Municipalities.

We are making available our expertise, experience and professionals to assist municipalities with their infrastructure challenges.

The Department of Public Works and Infrastructure acknowledges His Majesty King Misuzulu KaZwelithini's appeal for an urgent Climate Change Conference considering the devastation caused by recent weather patterns that continue to place government infrastructure at risk. This also presents a challenge for the department to rapidly innovate and review how infrastructure is delivered. Today, we resolve to his majesty that the department will play a substantial part in coordinating the high-level summit. The KZN DPW&I as a custodian of all government infrastructure, takes stock and shares the rising concerns of climate change and intends to increase investments in the development of sustainable and resilient infrastructure. Furthermore, to mitigate the detrimental environmental impact in as far as infrastructure is concerned, funds will be redirected to reposition the department as a catalyst for the development of renewable energy. We are also engaging various experts to implement flood defences

to protect infrastructure and lives. The adage “Prevention is better than cure” still proves fitting as we build towards a climate resilient KZN.

Recognizing that infrastructure investment is the lifeblood of any economy, and that government must lead the drive. It is imperative that the department works hand in glove with the private sector to drastically improve government infrastructure.

My party, the Democratic Alliance, which I represent in the Government of Provincial Unity, has long advocated for accelerated infrastructure development in KwaZulu-Natal, seeing it as a key step toward generating economic growth, creating employment, and increasing inclusion. My organization is dedicated to ensuring that realistic measures such as these are adopted to create the environment for long-term growth and job creation throughout the country. We are also grateful to Minister Dean Macpherson and national Department of Public Works and Infrastructure for sharing our vision of building KZN smarter, while we work towards his vision of a giant construction site.

Honourable Members, infrastructure delivery is the backbone of this administration, and we have upped the tempo to improve the speed and efficiency with which infrastructure is delivered. We continue to seek to reduce the turnaround deadlines for major projects, especially those which are economically viable. These new time periods will allow us to identify a need to improve while also regaining the trust of client departments.

As the Implementing Agent of Choice in KwaZulu-Natal, under the 7th Administration the Department has completed a total of 98 capital projects amounting to R745 million. These projects are in all corners of the province.

Members of the House, the Department commits to the following service delivery priorities and infrastructure projects for the 2025/26 financial year:

- The KZN Public Works and Infrastructure continues to play an integral role in the eradication of unsafe water and sanitation infrastructure in schools. The department has registered an ongoing drive to implement 40 projects with a

large percentage of them currently active on site. Despite the unfortunate inclement weather conditions that have wreaked havoc on the essential infrastructure across the province only, 23 storm damaged schools can be accommodated within the allocated budget.

Madam Speaker, the department commits to cost-effectiveness and capacity building, as it strives to reduce reliance on external consultants by employing internal skills for project design and implementation. Consultants will only be hired for specialized or challenging projects where the necessary skills are not available within the department. The department has sufficient capacity and expertise to come up with technical solutions to delivery on infrastructure.

Public Works and Infrastructure continues to intervene and deliver crucial infrastructure projects at schools, clinics and hospitals. This forms part fulfilling a number of obligations aimed at meeting client departments' needs timeously. The following projects for these important facilities have been delivered:

- To alleviate water shortages and ensure the supply of clean drinking water, 23 borehole projects totalling R11 million have been erected at various schools around the Province of KwaZulu-Natal.
- To improve and provide decent sanitation in schools, 54 projects to the value of R243 million have been completed in various schools.
- 15 schools that were ravaged by the storms were refurbished and completed to the value of R80million.

In ensuring uninterrupted day-to-day services, particularly to health facilities, the department implemented the following projects where millions of rands were spent:

- R21 million was injected towards installation of Invertors in 41 health facilities
- R23 million was injected towards installation of new wash bays in 21 health facilities.

- R31million directed at eradication of asbestos in 21 health facilities located across the province.

In ensuring maintenance and minor repairs to schools, health facilities and other government buildings infrastructure, an amount of R248 million was spent.

Madam Speaker, the projects are estimated to provide approximately 15,000 long- and short-term work opportunities for this fiscal year 2025/26. The department is committed to support measures that put local economies first, and once again urging all contractors to buy building materials from local sources and employ residents wherever feasible.

It is important to underline and reiterate that the department is experiencing significant financial constraints which might impact the delivery of certain infrastructure projects. While the Provincial Treasury's (PT) competing financial interests are recognized, the department is under the impression that its financial situation will be considered by the PT. The department continues to applaud and appreciate the numerous efforts taken by Provincial Treasury of consistently supporting the department's initiatives when the need arises. These efforts have not gone unnoticed.

IMMOVABLE ASSET REGISTER

Honourable Members, the department manages the Provincial immovable assets with an estimated value of R22,4billion.

As the custodian of all government properties, which includes land, the department is working swiftly to ensure that the backlog pertaining to the appropriate use of government property is addressed. The recent departmental report indicates that the audit process for immovable assets is currently at over 43%. (please double check this as a few weeks ago I was told and said in a media statement is much higher than that) In hindsight, the department has been able to use the regularly updated data to track the status of assets in real time across the Immoveable Asset Registry application.

Efforts are afoot to ensure that the Provincial Asset Register data is accessible to members of the public, to account to the public and enhance transparency. This will reflect basic property details under the custodianship of the Department of Public Works & Infrastructure. We are proud that this process is done inhouse and not through expensive external service providers.

The project for the verification of immovable assets has yielded the following findings:

- **Facility Utilization:** 92.34% of the identified assets are fully utilized, while 5.54% remain unutilized and 2.12% are underutilized.
- **Legal Occupation:** 93.19% of the facilities are legally occupied with 4% remaining vacant and 1.45% recorded as illegally occupied.
- **Encroachment Issues:** 94.36% of facilities are free from encroachments, indicating minimal issues in this area.

The department's goal for this fiscal year is to resolve the issue of underutilized and unused government buildings in a concrete and sustainable way. Although the department is aware of the protracted battle with underutilized structures, several daring measures must be taken to break the deadlock.

The Department is reviewing the norms for office accommodation to optimize more open planning in line with service delivery objectives for user departments which will impact on reduced spaces, thereby reducing the expenditure on leases whilst long term permanent solutions are sought using existing state-owned buildings.

PROPERTY RATES

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

The issue of underfunding and insufficient funds for property continues to hinder our ability to sufficiently fund property rates obligations.

The department has experienced budget cuts since the last three financial years. Again, the department's budget was reduced by R15.701 million for the 2025/26 financial year. These cuts relate to the 2023/24 Medium Term Expenditure Framework (MTEF) budget cuts implemented in respect of the Provincial Equitable Share (PES) data update and own revenue reductions.

The total property rates bill for the 2024/25 financial year is R1 591 000,00, which comes as a projection on the rise of this particular figure, drastic changes are implemented. It is against this context that the department has taken the firm decision to implement its disposal and letting strategies of some properties with the aim of assisting in the reduction of property rates bill. The number of unpaid invoices awaiting budget amounts to R505 775 000,00. The Provincial Treasury is urged to consider budget adjustment that will cater for the overheads which present an unwarranted financial strain with a potential to hinder service delivery.

This financial year the department will meet with various municipalities where most properties registered under the name of the department are located. This will be done in an effort to find long lasting solutions and further mitigate the growing rates bill. The exploration of letting out some of such properties to municipalities will be at the centre of discussions.

MAINTENANCE OF STATE BUILDINGS

Madama Speaker, during the 2024/25 budget vote address table at this August House, a commitment was made to sharply focus more attention to the issue of unused government assets. We also pledged to increase the adoption of meaningful strategies, like partnering with the private sector through the Public-Private Partnership (PPP) initiative to identify practical means of disposing of and re-purposing such assets for long-term, sustainable usage. An attempt has been made to convert government buildings into community training facilities in a practical manner. Additionally, this will enable Non-Governmental Organizations (NGOs) to use them in the execution of community improvement initiatives. These initiatives are consistent with declarations made at the beginning of the current term of office, that every asset registered under the name of the department must be repurposed for public benefit.

- **ESPLANADE GOVERNMENT BUILDING**

The department passed a resolution which resolved that no office space leases would be renewed. However, a new strategy has been implemented and implored to examine and re-evaluate any prevailing conditions that would force the department to request office space on behalf of client departments. The resolutions further entail that appropriate maintenance must be performed in accordance with the statutory requirements of the department, to save taxpayers and government from exorbitant rentals and ever green leases. We are reclaiming abandoned buildings and revising our strategies for premise accommodating departmental employees, to ensure that they don't deteriorate over time.

One of the key monumental structures identified by the department for effective office space for provincial government employees is the Esplanade Government Building (EGB), situated along the historic Victoria Embankment in Durban. The building has been in a state of abandonment and decay for decades due to neglect, which was compromised, and over time forced government staff to relocate. The building also cost the department millions of rands in utilities, whilst laying bear with minimum utilization.

The department started this flagship project in partnership with the private sector, which is a multi-million-rand rejuvenation, the project will be a state-of-the-art facility with contemporary features to:

- Accommodate various provincial government departments with the long term aim to reduce dependency on hiring office accommodation from the private sector.
- Accommodate businesses and amenities.
- Provide eco-friendly and heat resilient with heat dissipation feature designs.
- Modern green energy designs, and solar energy conducive
- Embraces technological features which will aid in its safety and functionality.

Members of the house, in conclusion, the Esplanade Government Building will represent a move towards modern architectural elements while constructing for the future, and the KZN Department of Public Works and Infrastructure is driving that ambition.

- **MEMORANDUM OF UNDERSTANDING TO REJUVINATE ABANDONED BUILDINGS IN MAJOR CITIES**

Franklin Roosevelt said “It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something.” We are not a department of boardrooms, and of talking. We are a department of doing. We know where our challenges lie, and we now work, we are doing something.

We have begun a service delivery drive targeting municipalities like uMhlathuze and eThekweni, where a Memorandum of Understanding (MOU) was endorsed. These efforts have resulted in National and Provincial Public Works and Infrastructure departments and eThekweni working jointly to tackle the issue of unused and abandoned buildings, such as the old Seamens building situated along the Durban Harbor, the West Point Lodge, which is also situated along the harbor and the Palm Beach Hotel located in the eThekweni Central Business District (CBD).

In-depth engagements with the city of uMhlathuze have ignited further discussions on how to harness a few neglected assets to solve the low-cost housing problem, whilst the eThekweni Metro is forging ahead on enhancing student housing and affordable housing.

The Department is also in the process of making available 22 vacant sites to the eThekweni Municipality by way of donation for housing projects to address the housing needs for flood victims.

- **BUILD KZN BETTER CONFERENCE ON PROPERTY MANAGEMENT**

The department hosted the Build KZN Better Conference on Property Management on January 28 and 29, this year, at the Inkosi Albert Luthuli International Convention

Centre (ICC), which was attended by 550 attendees. Property developers, business leaders, captains of industry from the financial sectors, investors, engineers, and contractors were among the key attendees. As part of improving everyday operations and tackling issues facing the built environment, impactful strategies surfaced during the highly successful conference's presentations and information-sharing sessions.

Following the summary, a revaluation was carried out to address the property management-related concerns more effectively in the province, particularly government premise. At the drop of a hat, the KZN DPW&I quickly identified resources that may directly benefit the public. Consequently, the following commercials will appear across a range of media outlets:

- 95 vacant sites to go on sale to the public.
- 22 sites for the designation of long-term leases
- 05 buildings to go on sale through public bid.

The primary objective of this move is aimed at inviting bids for these assets to be utilized to create jobs and stimulate the economy. The aim of advertising the immovable assets by way of public bid is to also generate revenue and reduce the property rates bill for the province gradually. This attests to the success of the recently convened Build KZN Better conference. These successes were a characterisation of the dedication of the Government of Provincial Unity (GPU) to collaborating with its citizens to find long-term solutions. However, the feedback from the stakeholders who attended the conference is largely responsible for the blueprint document which will give guidance on the future usage of government infrastructure and buildings. According to certain inputs from key stakeholders, collaborating with the government will improve employment creation, which will allow the economy to flourish and support enterprises.

We have been engaging with various international role players and embassies. Attainment of implementable ideas derived from such strategic engagements indeed, do result in exploration of opportunities with a potential to change people's lives for the better.

BOLSTERING COMMUNICATIONS WITH COMMUNITIES

Members of this August House, Public Works and Infrastructure will spearhead the reform of how we connect with the people of KwaZulu-Natal. We have assessed the untapped potential for interacting with a larger online audience, whether through social media or web-based communication. While traditional approaches such as television, newspapers, and radio are desired, the department will strengthen and embrace the needs of the Fourth Industrial Revolution by investing in automated Artificial Intelligence-generated platforms. We will also invest in real-time data capture systems to help the department assess and track communication effect across all communities. Online networks such as LinkedIn, X, and Facebook will be used more effectively to advertise departmental jobs.

The transition process from traditional methods of communication will cost the department an estimated amount of R1 million for a period of three years. This will save the department over R4 million in newspaper advertisements which will be channelled elsewhere.

As part of a strategy to combat extortion and to get community buy-in we are forming a community engagement to improve our relationship with communities and to assist in skills development and community involvement in getting projects off the ground. This is also why we will launch a Directorate in the Department just solely tasked with communicating and assisting communities. This is a new, listening Department of Public Works of Infrastructure.

PROGRAMME 3: Expanded Public Works Programme (EPWP) – R47 million (2.31%)

This programme serves to coordinate the overall Provincial Expanded Public Works Programme (EPWP), create job opportunities, sustainable livelihoods, and skills development for poor and unemployed people. The primary focus is on labour intensive methods in construction and infrastructure related programmes.

The core services are:

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

The programme's budget is distributed as follows:

● Compensation of employees:	R	38.978 million
● Goods & services:	R	7.964 million
● Transfers & subsidies:	R	46 thousand
● Payment for Capital Assets:	R	nil

Honourable Members, when it comes to implementing the Expanded Public Works Programme (EPWP) and surpassing the yearly goal set by the National Public Works, KwaZulu-Natal remains the top implementor province in South Africa. With a total of 195 190 job opportunities, the province has achieved its goal of 148 387. This is more than 182% of the total. The department is doing extraordinarily well in implementing the Phase Five-year one aim and is crucial in reducing poverty, unemployment, and inequality.

However, the programme has been allegedly marred and tarnished by political interference, nepotism, and unethical practices. Rest assured that interventions and efforts made are already bearing fruit. These efforts include but are not limited to the following:

- The department plays an integral role in the preparation for auditing EPWP reported information in bid to counter ghost employees within the programme.
- Capacitating all municipalities with the conditions of the EPWP grant which is encompassed in the Division of Revenue

- Inducting all municipal councillors on the programme so that there is common understanding of the programme objectives, processes, procedures and to foster good governance.
- Clarifying the roles of councillors during the implementation of the programme.
- Strengthening the implementation of recruitment guidelines in a bid to eliminate the practices of political interference and nepotism.
- Capacitating all public bodies on the capturing and reporting of EPWP beneficiaries in the reporting system.
- The department continues to convene quarterly EPWP Provincial Steering Committee Meetings with all Provincial Departments and District Municipalities, including the eThekweni Metro.
- All public bodies have been workshopped on the labour intensity construction methods.

Madam Speaker, it is worth noting that during the National Minister of Public Works' Listening Tour, it emerged that the programme needs drastic changes and needs to be reviewed based on the following aspects:

- Longevity of contract employment
- Improved minimum wage.
- Standardization of personal protective equipment
- Mandatory Training
- Strict enforcement of recruitment guidelines

"All labour that uplifts humanity has dignity and importance and should be undertaken with painstaking excellence." - Martin Luther King Jr.

Members of the House, decisive action will be taken to protect the integrity of the programme. In some instances, inappropriate implementation has caused the misconception of the programme. Last financial year an undertaking was made to remodel the programme through innovative means of working with the private sector. In the coming months the department will reach out to the private sector and explore more work opportunities. A provision will be made to provide technical support assistance to all Provincial Departments and Municipalities for the 2025/26 financial

year. In hindsight, the government will continue to use everything in its power to fight poverty, unemployment, and inequality.

In the **2025/26** financial year the annual provincial target set for Work Opportunities is **153 524** and **59 395** full time equivalents.

FOCUS ON VULNERABLE GROUPS

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

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

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

Madam Speaker, the department trained a total of 40 EPWP young participants under the Upholstery Skills Programme concluded in October 2024. This is coupled with the Garment Making Learnership Programme which accommodated 25 participants. The programme ended in March 2025, just a couple of days ago. It is anticipated that the certificate handover ceremony for this programme is scheduled to be held during this month, April 2025.

Through the District Disability App Roll Out Sessions, 526 persons with disabilities were trained on the operation of the Disability App across the Province's nine districts.

Only uThukela and Amajuba remain outstanding, with sessions scheduled to proceed in due course.

The department will contribute to the development of long-term ideas for the Expanded Public Works Programme, as well as the introduction of new job opportunities.

Limitations of the past are only a small part of the several things that threaten to hold government back, because the truth is, the more we try to move forward, the more threats emerge which seek to maintain the status quo only for the benefit of a few. It is only through a renewed and profound sense of unity that these threats can be deprived of oxygen.

It is often said that a name carries a lot of meaning and the same goes for this amazing department because one cannot say it without including the “public” and therefore it becomes a reminder about who we are here to work for and alongside.

KZN Public Works and Infrastructure is no longer known as the department of chaos, cacophony, inefficiency, and financial wastage. NO! We have now become the beacon of what can happen when a renewed sense of purpose is achieved.

I have watched, day after day, this sense of purpose flow through our internal structures. I have witnessed how officials in this department excuse themselves from being part of shady dealings or be associated with failures which are often seen by the very communities they come from. The truth is a lot of good people, hardworking, dedicated people come in early and leave after hours. Truly, from the bottom of my heart I want to say THANK YOU, DANKIE, NGIYABONGA. I also want to take this opportunity to let this be known that a few rotten apples will never define us or speak for us.

I must take this moment to extend gratitude to the management within KZN Public Works and Infrastructure from the HODs Office to the Directors, middle management, our legal entity and everyone who is part of this one, big, united family. Without your ongoing support and willingness to be part of the course, this ship would still be headed for the rocks.

To the Ministry officials who run alongside me with a shared passion, I extend my appreciation. To the colleagues of the fourth estate – you have been by our side from the start of our journey, you have been patient with us as we turn this massive ship around. You have also held us accountable and kept your promises of following up. You have walked on the ground with us and experienced the true situation firsthand and what the people of KZN desperately need. I thank you and I say my doors are always open for you.

Lastly, and more importantly, I want to share the biggest thank you and sincerest admiration to the wonderful, supportive, vocal, engaging people of KwaZulu-Natal. Your messages and votes of confidence are heard and seen. From our social media platforms to organic engagements on the grounds you have shared your sentiments and excitement and I want to say that, it is you who are the real champions in this story.

I also need to express my gratitude to the Premier, Hon. Ntuli, who have appointed me to this position, and who gives me so much support. Gratitude to my party, the Democratic Alliance, a party of Freedom, Fairness, Opportunity and Diversity, who have put their trust in me.

I extend an invitation to each and every one of you to join as we continue towards new heights and BUILD KZN BETTER.

With that said, I present for Budget Vote 14 an amount of **R 2.037.473 billion** for consideration and approval by the Honorable Members of this House.

I thank you!