



MEC Dikeledi Mahlangu

**DEPARTMENT OF PUBLIC WORKS,
ROADS AND TRANSPORT
POLICY AND BUDGET SPEECH
2012/13**

Honorable Speaker and Deputy Speaker
The honorable Premier
Members of the Executive Council
Honorable members of the house
Chairperson of the Portfolio Committee Hon JL Mahlangu
Members of the Portfolio Committee
Leadership of Labour and Business
All stakeholders of the Department
Esteemed guests
Head of Department Mr KM Mohlasedi
Management of the Department and all employees
Members of the media
People of Mpumalanga
Ladies and gentlemen.

At its 52nd National conference, the ruling party-the ANC- took a profound resolution as part of its Strategy and Tactics document. The resolution talks about a need to build a developmental state, as a fundamental step to take forward our democratic ideals of building a united, non sexist, non racial and prosperous nation.

The document says (open quotes):

“Our understanding of a developmental state is that it is located at the center of a mixed economy. It is a state which leads and guides that economy and which intervenes in the interest of the people as a whole.

A South African developmental state therefore, whilst learning from experiences of others, must be built on the solid foundation of South African realities.

Whilst engaging private capital strategically, our government must be rooted amongst the people and buttressed by a mass-based democratic liberation movement. Whilst determining a clear and consistent path forward, it must also seek to build consensus on a democratic basis that builds national unity. Whilst engaging effectively to promote growth, efficiency and productivity, it must be equally effective in addressing the social conditions of the masses of our people and realizing economic progress for the poor”.
(close quote).

Honourable Speaker I quoted extensively from this document out of a belief that it has correctly defined our situation and further guides our programmes as government. It is now common cause that our country faces triple challenges of poverty, inequality and unemployment which have the potential to derail our march towards a prosperous nation.

What compounds the situation is the fact that these challenges continue to grow against the background of global economic stagnation from which no country has escaped. What this means is that in real economic terms, there is insufficient resources in government to stimulate or meet the ever growing socio economic needs of our people. This situation then propels all of us to look from within, re-prioritize and do away with what is called “nice to haves”, so that all available resources are channelled towards service delivery.

Honourable Speaker, The Department of Public Works, Roads and Transport is at the heart of driving this developmental state which seeks to grow and transform the economy in order to realize our national objectives.

During this period of economic stagnation and decline, we have in our situation identified infrastructure development as key aspect that has the potential to stimulate economic activity and growth whilst at the same time creating much needed job opportunities.

We have equally noted that to accrue maximum benefit out of the infrastructure investment, we need a comprehensive forward-looking approach, which has a correct diagnosis of our challenges and necessary steps to move forward.

In this regard, we have been mandated by the Executive Council to develop an overarching Provincial Infrastructure Master Plan. The plan is meant to become a provincial blue print for all infrastructure programmes among others,

- Bulk water
- Electricity
- Roads network
- Education Facilities
- Health facilities
- Information Communication Technology

The Mpumalanga Provincial Infrastructure Master Plan will be linked to the Mpumalanga Provincial Growth Path.

ADMINISTRATION

As alluded to earlier that our challenges come against harsh economic realities which then demands creativity to find resources from within, we are engaged in a process to review our organizational structure, primarily to streamline it and release funding into service delivery mandates. This however does not negate a need to fill vacant funded and critical posts.

On the same breath let me hasten to indicate that the Department continues to face a serious challenge of shortage of skilled personnel especially in the light of the massive infrastructure roll out expected in our country.

We realize that this challenge of skills shortage is not unique to the Public Sector only. Therefore the solution would require a collective effort by both the private and public sector. In this regard the Department is engaging with relevant stakeholders, to find a mutually beneficial solution.

In our previous presentation of the Policy and Budget Speech we alluded to the decision taken by the Executive Council to centralize the management of provincial government fleet within the Department of Public Works, Roads and Transport. Commendable progress has been made in this regard.

The Department has appointed a service provider to assist with the management of the provincial fleet. The essential part of the contract includes installation of tracking devices on all government vehicles. The tracking device is providing real-time tracking of all government vehicles and eradicates misuse, theft and damage. Out of 3 687 vehicles, 2 325 have been installed with tracking devices. Training of transport officers on compliance issues has also been completed.

The outstanding aspect of this project is the finalization of the trading account which will enable the Department to bill all user departments.

PUBLIC WORKS

Honorable Speaker in order to enhance service delivery of infrastructure roll out in the province, the Executive Council established infrastructure political committee to streamline and synergize all infrastructure programmes in the Provincial Government.

Substantial progress has been made, notably in ensuring better communication between us and clients departments. Participating of client Departments in the procurement process has enhanced the turnaround time in the awarding of contracts and payment of service providers. I have also encouraged all senior managers in the Department to visit projects and verify reports.

Since February, I have been in a programme to meet with all appointed consultants in the province. In our industry appointed consultants are or should be eyes and ears of Government. It cannot therefore arise that we are short changed while they are there purporting to represent us. The engagements were indeed fruitful for we all now understand the importance of improved service delivery for our people as a whole. We have collectively agreed that burning issues such as:

- Acute skill shortage in the built environment
- Improved planning
- Prudent project management
- The need to complete projects within budgets and schedule
- A need to curb ever increasing variation orders (VO's)
- Issues of quality of workmanship
- Skills transfer

We will further engage on these issues and include the broader spectrum of the built environment in our Planned Infrastructure Indaba later this year.

Honourable Speaker with respect to implementation of projects on behalf of client departments, we wish to announce to this house that in the previous financial year:

- 208 Education projects were completed.
- 10 Health projects were completed.
- 02 Social Development projects were completed.
- 02 projects for Culture, Sport and Recreation were completed.

Honorable speaker, 1st of April 2010 was the start of the implementation of Government Immovable Asset Management Act. The Act empowers the Department of Public Works, Roads and Transport to be the sole custodian of all immovable assets of the Provincial Government.

In this regard, I am happy to announce that we have now started with the implementation of the Act and have for the first time allocated a budget thereto. It is envisaged that the implementation of this Act will ensure a more streamlined approach to funding proposals based on the assessment of the plans that are submitted to Treasury.

The Asset register has been compiled and continues to be updated as and when new assets are identified and procured.

TRANSPORT INFRASTRUCTURE

Honorable Speaker, with regard to transport infrastructure in the province, it is perhaps important to remind Honourable members of the massive backlog we have in our province both in terms of maintenance of the existing road network and a need to build new roads. This point has been made over and over again, but just like a pastor who doesn't tire to repeat verses Sunday in and Sunday out; we have to make this point at any given opportunity, especially to you as law makers.

The state of our road network is not pleasing honorable members. Current estimates are that we need over R9,3 billion to bring our paved road network to acceptable standards. Our provincial road network is now 13 825 kilometers of which 5 403 is surfaced.

Added to this is a demand for us to focus on rural access networks as part of the rural development effort.

In the previous financial year, the department completed two road infrastructure projects namely:

1. Upgrading of road between Acornhoek and Limpopo Provincial Boundary
2. Upgrading of road between Sibange and Mgobodzi

The other eight ongoing upgrading of road projects in this financial year are;

1. Rolle and Oakley phase 1
2. Rolle and Oakley phase 2
3. Stenynsdorp and Ekulindeni
4. Boschfontein and Magogeni
5. Daantjie and Mpakeni
6. Lupisi and Siphelanyane
7. Marloth Park and Komatipoort
8. Diepdale and Swaziland Border

Rehabilitation

- Design, Rehabilitation & Reseal of Road D2951 from R571 to Mbuzini (Samora Machel Monument) (25km)
- Design and Rehabilitation of Road D797 from D2940 (Tonga) over R571 (Naas / Kamaqhekesa) to D2950 (13.2km)
- Rehabilitation of P8/1 Mashishing to Bambi (45km)
- Rehabilitation of P95/1 Limpopo Boundary to P100/1 (Verena) (25km)

Road Maintenance

With regard to road maintenance, a budget of R504 million was set aside for preventative and routine maintenance of our network in the previous financial year, out of which 6722 job opportunities were created.

In the current financial year, the Department has budgeted R **530 422 million** for road maintenance. Job creation target for this programme is set at six thousand six hundred and seventy one (6671) job opportunities.

Coal Haulage Network Management

Honourable Speaker it is common cause that the Highveld part of our province is the economic hub of energy generation of our country. Whilst this is a positive contribution to the national economy, it has its own unique challenges.

Part of these challenges is the state of our road network in this area. Due to huge activity, these roads require constant rehabilitation. In this regard, we have entered into partnership with external stakeholders especially Eskom to rehabilitate some of these routes.

We had planned to do the following multi-year projects:

1. Rehabilitation of road P95/2 between Gauteng boundary south of Bronkhorstspuit and Delmas
2. Rehabilitation of road P50/1 between Ermelo and Morgenon
3. Rehabilitation of road P53/2 between Leandra and Standerton
4. Rehabilitation of road P132/1 South of Kriel power station
5. Rehabilitation of road D1398 Arnot power station to Hendrina
6. Rehabilitation of road D914 South of Middelburg
7. Rehabilitation of road P52/3 between Kriel and Ogies
8. Rehabilitation of road P182/1 between Van Dyksdrift and R35

The projects which have been completed are:

1. Rehabilitation of road P50/1 between Ermelo - Morgenon
2. Rehabilitation of road P132/1 South of Kriel power station

The remaining three of the multi-year projects are to be continued with this financial year namely:

1. Rehabilitation of road P53/2 between Leandra and Standerton
2. Rehabilitation of road D1398 Arnot power station to Hendrina
3. Rehabilitation of road D914 South of Middelburg

The following projects will start this financial year.

1. Rehabilitation of road P95/2 between Gauteng border south of Bronkhorstspuit and Delmas
2. Rehabilitation of road P120/1 between eMalahleni (pass van Dyksdrift) and D691
3. Rehabilitation of road P52/3 between Kriel and Ogies
4. Rehabilitation of road P182/1 between Van Dyksdrift and R35

TRANSPORT OPERATIONS

Honorable Speaker, the Department has an obligation to provide public infrastructure to enable increased mobility and accessibility to many areas in our province.

Our mandate to increase access to rural areas is amplified by the focus on rural development which is a priority for this term of government.

In this regard, we have completed eight of the nine planned Integrated Rural Mobility Access projects. These projects are:

1. Culvert bridge in Mambazane in Albert Luthuli Municipality
2. Footbridge in Ntombe 1Mkhondo Municipality
3. Sidewalk (4.5km) in Boschfontein Nkomazi Municipality
4. Culvert bridge in Msogwaba Mbombela Municipality
5. Culvert bridge in Nyongane Mbombela Municipality
6. Culvert bridge in Daantjie Mbombela Municipality
7. Culvert bridge in Newscom Mbombela Municipality
8. Bus shelters in Senotlelo, Mabhoko, Loding and Leeufontein Dr JS Moroka Municipality

The remaining project – a second footbridge at Ntombe, which is a multiyear project will be completed in this financial year. In this financial year we will also commence with construction of the following projects, namely:

1. Culvert Bridge at Steyndorp in Albert Luthuli
2. Footbridge at Ntombe 2 in Mkhondo Municipality
3. Bus shelters at Katsibane, Makola, Magononong and Lefiso in Dr JS Moroka Municipality
4. Walkways at Kwaggafontein in Thembesile Hani Municipality

The other important aspect in this area of work is the provision of transport for learners who stay away from school facilities. We have two programmes used for this purpose.

The first is the Scholar transport. Scholar transport is meant or designed for learners who travel a distance of more than six kilometers to school. I must emphasize that this programme is meant for learners who do not have schooling facilities in areas where they stay. This program should actually be a reminder of the evils of apartheid human settlement patterns.

The program has been a sore point since its transfer to the Department. The biggest challenge with the previous contract was the payment method, which was a combination of the number of learners and the kilometers. It is therefore pleasing that the new dispensation with regard to this important area of work is taking shape. In July 2011, a new contract commenced with appointment of 101 operators.

This contract offers a fundamental departure from the old dispensation in that the payment is based only on kilometers travelled. It is also planned that in the end of this contract some of the vehicles procured by current service providers will be handed over to participating schools, thus empowering school governing bodies to operate the routes on their own.

Although the new contract has experienced teething problems, we have no doubt that in the medium to long term it will accrue benefits to the Department in terms of cost savings and economy of scale.

Honorable members it is important to understand that Scholar Transport is not and should not be understood as a permanent feature of our policy intervention. Government's responsibility is to usher a new integrated human settlement pattern that begins to do away with historical injustices of people being settled away from their areas of stay with no social facilities.

We have recently observed with concern disturbing developments where schools use the scholar transport programme and entice learners in order to increase their enrolment. This has led to learners leaving nearby schools to attend far distance schools thereby increasing demand for scholar transport.

The second intervention is transportation of learners who travel between 3-5 kilometers to school through a programme called Shova'Kalula. To this end, we donated 6 000 bicycles in the previous financial year.

We have also undertaken a study to assess the impact of this programme.

Honorable members the Department continues to support the taxi industry in an effort to make it a viable business venture. We spend R6 million annually to subsidize the Provincial Taxi Council amongst others for their training on leadership and conflict resolution and administration support. Over and above this, we assisted the taxi industry to form cooperatives so that they can enhance their business.

Honorable members the Department has the responsibility to manage six commuter contracts, in an effort to ease the burden of travelling expenses on members of the public in the province. To this end a budget amounting to over R430 million has been set aside for bus subsidies.

COMMUNITY BASED PROGRAMME (EPWP)

Honorable Speaker in an economy such as ours, which is characterized by serious deficiencies of skill gap that leads to massive unemployment, the Expanded Public Works Programme is a critical intervention. Recent data from Statistics South Africa points to the fact that 60% of unemployed people in our country do not have Grade 12 and the required skills to participate in the formal economy.

To this end, it is important for the house to note that this important programme is not the sole responsibility of the Department; whilst we co-ordinate and report on job opportunities created, all sectors should have programmes that contribute into this programme.

It is not pleasing to report that stakeholders do not register and report on all their projects. This has led to our province losing on some of the incentives that are granted on the basis of submission of quarterly employment output data. As a result of this inconsistency, The National Department of Public Works has introduced an EPWP integrated reporting system in the previous financial year.

At the end of the third quarter of the previous financial year, our province had created 45 387 job opportunities through this programme. These job opportunities were created in various participating sectors such as Infrastructure, economy, social, culture and environment.

In line with our five year target of creating 249 606 job opportunities, we have set a target to create 59 630 in this financial year.

Emerging Contractor Development (Sakh'abakhi)

There is consensus that for us to be able to create sustainable jobs in our country, we need to pay special focus on skills development and job training. Many people in the unemployment category are young people. There is no country that can have stability in the long run with such skills deficit. In this regard, the Department has a programme called Sakh'abakhi aimed at skilling learner contractors to address skills shortage and enhancement of Construction Industry Development Board (CIDB) grading.

As the Department reported in our previous budget and policy speech in this house that 40 emerging contractors will be trained, we are reporting that this has gone accordingly. The Department has done project allocation which enables learner contractors to have on-job training and mentorship for a period of two years up to and including 2012/13 financial year.

National Youth Service

Honorable Speaker, our country is at cross road. The triple challenges of unemployment, poverty and inequality threaten the stability of our country, more so if we consider that youth are the majority of people in these categories. We just have to make all programmes aimed at rescuing this situation work.

One such programme is the National Youth Service. At its core, this programme was designed to skill young unemployed people. At the completion of their training, they will be skilled to take up opportunities in the formal economy or have entrepreneurial skills.

The Department committed to enroll 500 young people in the previous financial year to train them in road maintenance, life skills and construction. The training was completed in March 2012. As honorable members would know that the funding for training has been transferred to the Department of Education (Mpumalanga Regional Training Trust - MRTT), however this Department continues to co-ordinate the programme.

Comprehensive Rural Development Programme (CRDP)

In its 2009 election manifesto, the African National Congress (ANC) identified five priorities that it committed to become its focus in this term of office. One of these priorities is rural development. It then agreed on Comprehensive Rural Development Programme as an intervention to improve the rural economy and general living conditions of the rural people. All departments are required to invest in projects that are aimed at developing rural areas.

In this regard, the Department set aside R44 million for CRDP projects in the identified municipalities.

PRESIDENTIAL INFRASTRUCTURE CO-ORDINATING COMMISSION (PICC)

Honorable speaker, this house will recall that in the State of Nation Address the State President announced massive infrastructure investment aimed at stimulating the economy and creation of jobs.

This Department is currently in discussion with the National Department of Transport in an effort to advance on plans for developmental projects such as the Moloto Rail Development Corridor. It is envisaged that these projects will benefit our province by creating the much required jobs.

THE BUDGET

Honorable Speaker it is my pleasure to present to this august house the budget for Department of Public Works, Roads and Transport, Vote 8, and therefore request this house to consider and approve.

Administration	R 321, 695
Public Works	R 498, 917
Transport Infrastructure	R1 787, 701
Transport Operations	R 867, 498
Community Based Programme	R 35, 166
TOTAL	R 3, 510, 977 Billion

I want to pass my sincere appreciation to the sterling leadership and support of the Premier and colleagues in the Executive Council. Sometimes when some of us see no light at the end of the tunnel, like a father you encourage us to endure the storms for you know that today is better than yesterday and indeed tomorrow will be better than today. I further wish to thank the insightful guidance of the Portfolio committee led by Hon JL Mahlangu.

Allow me in conclusion to thank the Head of Department, Management and the entire staff of the department of Public Works, Roads and Transport for their dedication and commitment.

Lastly I want to thank my family for their continued understanding and support. When we are not home or unable to spare anytime with them, they always understand that our family extends beyond them.

Honorable Speaker we are forging ahead. We are forging ahead because for us freedom and democracy will remain meaningless for as long as our people continue to be trapped in abject poverty and unemployment. We are forging ahead for we know that freedom and democracy should mean restoration of human dignity and national pride, which are dented by these social ills.

Like real pioneers, people of Mpumalanga lets rise and forge ahead.

I thank you.