



public works,  
roads & transport

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

# Policy & Budget Speech 2016/17

Thursday, 28 April 2016, 14h00  
Mpumalanga Provincial  
Legislature Chamber,  
Mbombela





**Ms Dumisile Goodness Nhlengethwa (MPL)  
MEC for Public Works, Roads and Transport**



# 2016/17 POLICY AND BUDGET SPEECH

## VOTE 8

Honourable Speaker and Deputy Speaker;

Honourable Premier;

Members of the Executive Council;

Members of the Mpumalanga Provincial Legislature;

House of Traditional Leaders;

Director General and All Heads of Departments;

Leadership of Labour, Business and Civil Society Formations;

Honoured Guests;

Ladies and Gentlemen;

Good afternoon, Dumelang, Sanibonani.

- (1) Honourable Speaker, I truly feel humbled to have this opportunity to address this august House and the people of Mpumalanga – the place of the rising sun.
- (2) Each year, we stand here to give an account of the past financial year and secondly to request this august House to approve our proposed plans and the budget for the year ahead.
- (3) We do not do so as a matter of procedure but we do so as part of the commitment that our democratic government made in 1994, which is to create **A Better Life for All**. South Africa is a much better place to live in than it was before 1994. Building upon our achievements and learning from our guiding document; “Ready to Govern”, we are committed to improve service delivery.



- (4) Honourable Members, it is therefore not a coincidence that our plans are always geared towards improving the lives of our people. Every rand appropriated to us goes a long way in improving the living conditions of our people, even if they may not all be covered at once.
- (5) For a community of Tjakastad which for many years had to swim across the river just to access services on the other side, the foot bridge built using the funds previously appropriated by this House means more than anyone can comprehend.
- (6) For the community of Ntombe who faced similar predicament, the foot bridge built over the Ntombe River brings true the acclaim of a better life for all. The same can be said about the people of Ronaldsey, the people of Goromane, the people of Donkerhoek and many others.
- (7) Honourable Speaker and Members, it is against this background that we fully understand the frustrations of those communities who are yet to lay acclaim as many others have.
- (8) We are fully aware and appreciate that in our country, unfortunately service delivery can only be recognized when it affects an individual or a particular community.
- (9) We are also fully conscious that to date we still have a family who have to travel a kilometer or two to access a bus stop, communities who still rely on donkey carts as a primary means of transport and communities who have not had a tar road since the dawn of democracy. We are a resilient nation, we defeated the settler colonialist whose motive was to take away our dignity, that is why today we cannot define ourselves outside the history that makes us who we are as South Africans, black people in particular. We shall not dare fail them.



- (10) For all these communities, it may not suffice when we mention progress we have made since 1994. Be that as it may Honourable Speaker, we have achieved tremendous progress to date.
- (11) To highlight just but one such progress, in the past four years, we have invested close to R1 billion rands in Bushbuckridge alone. This money was spent building new roads, rehabilitating existing road network and assisting the municipality to maintain their road network through re-gravelling of access roads. In this area alone, we have built 12 schools, 2 libraries, 1 social services office, a traffic college and so forth.
- (12) Notwithstanding all these achievements, the backlog remains huge. The plight of our people in Kumani for a bridge and the people of Kildare, Justicia and Lilydale who too are in need of better roads. These are not the only people whose needs we cannot ignore.
- (13) The people of Barberton and Pienaar also want better roads leading to various public amenities. So are the people of Thaba Chweu who have been on our case to rehabilitate the road between Mashishing and Bambi.
- (14) On numerous occasions, the people of Pixley Ka Isaka Seme have made presentations to us to upgrade the rural access road between Volkrust and Daggakraal. The people travelling between Leandra and Standerton have also made countless presentations about the condition of the road between the two towns.
- (15) Honourable Speaker and Members, it is the cries of these communities that keep us awake at night. Each year when we finalize our plans, we are faced with a huge predicament as to where to allocate resources and where not to because all these needs are justified.



- (16) The need (not demand) for services by our people is growing, yet resources are declining. This challenge is further compounded by South Africa's economy which has been growing at half the pace of other major emerging economies.
- (17) It is in this context that we are hugely humbled by the patience of those who are yet to have a road passing across their village.
- (18) For us, a road is not just a road, but we consider it as a critical input to a number of socio-economic outcomes, reconciliation, nation building as well as local economic development and job creation. Better roads reduce travelling time thus enabling those who commute daily to spend time with their families.
- (19) On the other hand, when we build a school closer to a particular community, learners in that community spend less time travelling to school thus boosting their academic performance.
- (20) Honourable Members, when we build a clinic in a community which has never had one, this improves the life expectancy of the members of that community.
- (21) When we build a library and fully equip it with books and advanced technology, we are bringing hope to the learners in that area thus enhancing their chances of becoming better citizens tomorrow.
- (22) All these, is what our Constitution enjoins us to do; to restore and promote the human dignity of our people. As the Department of Public Works, Roads and Transport, we will do this through the following Programmes:



## Programme 1: Administration

- (23) What is important Honourable Members is to build a responsive public service, so that public servants can continuously know and appreciate the pole position they occupy in society. Each day, our public servants carry the hopes of our people that through their daily actions and conduct, their lives may change for the better.
- (24) If public servants were to know and appreciate that they are actually privileged to be called public servants, it is only then that they would understand that they have a task and duty to earn the respect, trust and confidence of those they serve.
- (25) There are many people out there who long so much to occupy these positions and others are better qualified than us. It is with this understanding that we continue to make efforts to build an efficient, effective and development - oriented public service.
- (26) Accordingly, in the past 12 months, we have restructured the Department to be more flexible, responsive and efficient in delivering our services. Amongst the introduced reforms was the consolidation of the Department's personnel numbers in line with the ongoing provincial moratorium on filling of posts.
- (27) Honourable Members, we must thank the Executive Council for granting us permission to fill the post of Chief Financial Officer with effect from 02 January 2016. With this appointment, our financial prudence and governance is bound to improve going forward.



(28) The rationalisation of senior managers has now been completed and this year we will be focusing on level 01 – 12. The aim is to put more funds on the core services than compensation of employees which will enable us to realise the prosperous society we all envisage. Paragraph 45 and 46 of the Hon Premier's Policy and Budget speech presented in this house on Tuesday, 26 April 2016 alludes to this point as it says; "We must as a nation say, "Nip this in the bud". We must ensure that service delivery standards are upheld and improved and, cost must be minimised so that appropriate standards in terms of value for money are achieved."

It goes on to say: "in this financial year, the office of the Premier will set up an institutional mechanism to ensure that we eliminate inflated prices for goods and services by service providers, Goedkoop is Duurkoop".

(29) Honourable Speaker and Members, we welcome the announcement of the MEC for Finance made during his tabling of the 2016/17 Budget. He announced that the Provincial Treasury will establish a help desk to follow up on invoices not paid on time.

(30) We urge our service providers to take advantage of this initiative so that their cases can be dealt with decisively. On our side, we have made strides in ensuring that we pay valid invoices within 30 days of receipt.

## Programme 2: Public Works Infrastructure

(31) Honourable Speaker and Members, one of our core mandates is that we are an implementing agent of building infrastructure on behalf of our client departments.

(32) This is over and above having to implement our own infrastructure stock such as roads. This means our work impacts hugely on the work of other departments and this places enormous responsibility on our shoulders.



- (33) Therefore, we must at all times be in line with our clients departments, especially with respect to infrastructure roll-out. We have had to continuously fine-tune our systems and processes to be responsive to the infrastructure delivery agenda of our clients departments.
- (34) In the past financial year, we completed 176 projects for our clients departments. This can be broken down as follows:
- 114 projects for the Department of Education, which is inclusive of 49 sanitation projects;
  - 54 project for the Department of Health;
  - 4 for the Department of Culture, Sport and Recreation;
  - 3 for the Department of Social Development and
  - 1 for the Department of Community Safety, Security and Liaison.
- (35) The total investment value (*construction cost only*) of the projects completed in the 2015/16 financial year is estimated at R1, 146 billion.
- (36) Honourable Speaker, often than not when we speak about infrastructure rollout - our collective focus is always on the brick and mortar. However, beyond all these, we derive much joy on the opportunities that these infrastructure projects bring to our communities in a form of jobs, training and business development.



- (37) Infrastructure is worthless if it does not elevate the economic status and well-being of the people to whom it serves and must be centred on human capital development. Through these projects, a child who did not have uniform for school because the parents did not afford it, now has one. Another child has been sent to university to acquire education thereby cutting the cycle of poverty. It is our mandate.
- (38) In the current financial year, we will be implementing more than 600 infrastructure projects. This overstretches the limited human capacity available to the Department.
- (39) Consideration would be made to capitalize on the available technical resources in the client departments to enhance the areas of procurement and project supervision.
- (40) Also in the interim, we will improve communication and define processes to manage changes to the infrastructure plans between client and implementing departments through enhancement of the existing Service Level Agreements.
- (41) What is equally important as with building new infrastructure, yet often neglected due to competing needs, is our ability to maintain the existing stock of our building infrastructure portfolio.
- (42) Good and periodic maintenance gives us good returns on investment we make on building infrastructure. Due to limited maintenance funding, we have had to develop new creative approaches of maintaining our infrastructure portfolio.



- (43) One of the strategies to be explored in the new approach involves the general building maintenance work being used as part of the exit strategy for the National Youth Service (NYS) Programme.
- (44) Work is currently underway to review our tender documents in order to include this critical aspect. This is in line with the call made by the Honourable Premier during his State of the Province Address where he called on all of us to decisively address youth unemployment.
- (44) Over and above this, we are building internal capacity and in this regard have trained twenty seven officials to conduct condition assessment of buildings. We will use the assessment outcomes to develop building maintenance plans that would describe the periodic inspections and preventive maintenance to be performed at certain defined intervals.
- (45) Honourable Speaker and Members, our service delivery and national progress we have made since 1994 has come with unintended consequences. We have become victims of our own success.
- (46) Due to expansive electrification we have had to do since the dawn of democracy, we have unintentionally put our national grid on low levels. This has resulted in outages we saw in recent years. But more importantly, this places a responsibility on us to find creative ways of saving and generating energy.
- (47) To this regard, The National Department of Public Works has developed a Green Building Framework. The aim is to project the South African built environment's contribution towards climate change mitigation actions and further contribute to the implementation of National Climate Change Response Strategy, which seeks to meet same ideals at a broader level.



- (48) In accordance with the stated framework, the Mpumalanga Provincial Department of Public Works, Roads and Transport requested proposals for assistance in putting in place an integrated model for the reduction of energy consumption in all our buildings such as offices, hospitals, schools, Community Health Care Centres (CHC's), clinics and other applicable facilities.
- (49) As part of this process, the assessment and audit of equipment at the Riverside Government Complex commenced on the 1st of December 2015 and was completed in January 2016. The roll out plan has been developed and the assessment and audit for other buildings will be completed by August 2016.
- (50) The other departments will be notified in writing on the processes to be followed when the assessments and audits are conducted. In addition, the Department of Economic Development and Tourism (DEDT) is tasked to identify the economic spin-offs such as bulb manufacturing and assembly plants for this project.

### Programme 3: Transport Infrastructure

- (51) Honourable Speaker and Members, can we for a second imagine a life without transport of any kind. What would it be like? It takes a comrades' marathon winner about five hours to run a distance of 89 kilometres yet it takes a vehicle only 40 minutes to travel the same distance on a tarred road.
- (52) On the other hand, it would take the same vehicle about one hour and half to travel the same distance on an unmaintained gravel road. The point we want to make here Honourable Members is to highlight how important is the road infrastructure in our lives.



- (53) Without roads infrastructure, our lives would be slower, unproductive, time consuming and maybe boring. While on the same thinking note, let us imagine communities who have never experienced a decent road passing through their villages and therefore have to walk kilometres to get to the last point where vehicles can reach.
- (54) These families have to use wheel barrows to carry goods into their homes because there are no roads. They have to endure uncomfortable rides on top of a horse or the back of an open donkey-drawn cart to get to a clinic because ambulances cannot access their villages.
- (55) This is a reality in some parts of our Province. Our mandate as a Department is precisely to ensure that there are no longer communities or families who will experience what I spoke about. To sum it Honourable Speaker, all departments combined and without exception require good road infrastructure to deliver their mandates.
- (56) I said earlier that we are faced with a predicament every time we have to make a choice of which communities we build a road for and which to postpone, because they are all justified in their demands. We have to deliver this mammoth responsibility against declining funding but also in an unfavourable economic climate.
- (57) Notwithstanding all these challenges, we have invested over R2.3 billion in the past year to construct 32 roads and do major maintenance on 37 other roads. In all these cases, we have had to reach a delicate balance between major urban areas and historical disadvantaged areas. We had to spread this infrastructure across the deep rural areas of Mpumalanga.



- (58) Fundamentally, what drives us is a vision of dismantling and redressing the apartheid spatial patterns where living in town guaranteed better life than those in rural and peri-urban areas. As mentioned earlier, in four years we have spent close to one billion rands in Bushbuckridge Local Municipality alone. We are driven by this historical necessity.
- (59) We have completed the upgrading of 6.8 km of road D3928 between Green Valley and Moloro in Bushbuckridge Local Municipality. The scope of work for this project included the reconstruction of a flood damaged bridge. The people of Jim Brown and Marite in Bushbuckridge were not left behind as we completed the upgrading of 8.32km of Road D3970.
- (60) In Mbombela, a bridge connecting Manzini and Mgcobaneni was completed and the two communities can now connect with ease. In this municipality, we also reconstructed a flood damaged culvert on road D2973 between Gutshwakop and Clau – Clau thus improving accessibility to these communities.
- (61) We also completed rehabilitation of 25,7km of road P95/1 between Limpopo Border and Verena in Thembisile Hani Local Municipality. In Dr JS Moroka Local Municipality, we completed the upgrading of the rural access road D2908 between Pieterskraal and Madubaduba.
- (62) The capital investment on road infrastructure focused not only on maximizing the economic benefits derived from its construction or maintenance. It also facilitated the achievement of other socio-economic priorities including the creation of **5 372** work opportunities.



- (63) Honourable Members, our predicament continues as we persue this elusive balance. However, this time is not where to build a road, but how much must go towards building of new stock and how much must go towards maintaining the existing stock. A delicate balance is again required here because if we do not, all our investment shall bear no returns.
- (64) In pursuance of this elusive balance, we plan to utilize R1.021 billion for construction activities, R688.018 million for maintenance activities and R55 million for the Municipal Support Programme for the 2016/17 financial year.
- (65) The Municipal Support Programme will be intensified to focus on improving access to various polling stations in rural areas. In doing so, this will remove one factor that discourages high voters turnout.
- (66) For investment earmarked for the current financial year, the people of Boschfontein and Magogeni in Nkomazi Local Municipality will have the flood damaged road on D2944 reconstructed. The people of Thulamahashe in Bushbuckridge Local Municipality will have the Kumani Bridge on Road D4422 reconstructed. In Mbombela, the people of Numbi and Makoko will see the repair of a flood damaged bridge on road D2968.
- (67) People of Umjindi which is soon to be part of Mbombela will see the upgrading of road D236 West of Barberton from end paved at km 6.3 to km 14.3 (8 km) and patch reseal of 6.3 km. The cries of people of Kildare, Justicia and Lilydale in Bushbuckridge Local Municipality are over as a combined 17.2 kilometres of roads D3969, D4385, D4381, D4382 network is going to be upgraded.



- (68) The people of Thaba Chweu will be pleased to hear that Phase 2 of the famous road (made famous by a woman who appeared in media bathing in a pothole on this road some two years back) between Mashishing and Bambi will get under way in this financial year. The people of Mkhondo will benefit from the 18 km light rehabilitation of D2486 from N2 to Klipwal on the boundary of Mpumalanga and KwaZulu Natal province. This project is part of the two provinces joint plans.
- (69) The People of Pixley ka Isaka Seme would not be left out as a 12.42km Rural Access Road D281 between Volkrust and Daggakraal will be upgraded.
- (70) 2016/17 financial year will also see the rehabilitation of the following coal haulage roads:
- P182/1 (R542) from km 13.2 to km 26.25 between van Dyksdrift and Hendrina (13.05 km) (Phase 2) in *Dipaleseng*,
  - P26/4 from N17 near Ermelo to Breyten (19.5km) in *Msukaligwa*,
  - P30/3 between Tutuka Power Station and Standerton (16.1km) in *Lekwa*,
  - P36/2 from Delmas to Gauteng boundary towards Devon & Balfour (13 km) in *Victor Khanye*,
  - P53/2 (R50) Leandra to Standerton (40 km) (Phase 2) in *Dipalesen,g*

#### Programme 4: Transport Operations

- (71) Besides Transport Infrastructure Honourable Speaker and Members, we also have quite an important mandate in Transport Operations. This part of our work deals with enhancing Public Transport, Freight Movement and Management of Scholar Transport, this include the taxi industry.



- (72) In the Province, almost 353 000 commuters benefit from the use of the contracted six bus operators. Last year, we spent R518 million on bus subsidy for general commuters. This year, we have allocated R568 million and part of this budget increase is to cover the annual price adjustments affecting the bus operators.
- (73) On the other hand, we will continue partnering with the Department of Education to ensure accessible and safe transportation of learners. Going forward, this service will be rendered as per the guidelines articulated in the approved National Learner Transport Policy.
- (74) The primary objectives of the policy is to provide uniform approach, norms and standards, promote co-ordination and co-operation amongst stakeholders and provide a framework for monitoring and evaluation of learner transport services. In the current financial year, a budget of R463 768 million has been set aside for management of scholar transport services.
- (75) A Freight Databank is available on the Departmental website to assist planners/ policy makers/ researchers to track the movement of freight through specific corridors. This tool is updated every five years and the next cycle of updating is planned for 2016/17.
- (76) Also, in line with the government's commitment to expand the freight network, Swaziland Railway and Transnet have agreed to develop a 146 kilometers railway line between Lothair in Mpumalanga and Sidvokodvo in Swaziland as well as upgrading adjacent networks in both countries.
- (77) The key objectives of the project are to enhance regional integration and provide viable connections for rail freight from Western Swaziland to markets in South Africa. It is also aimed to provide Transnet with an alternative route for moving general freight to Richards Bay, via Swaziland, thus freeing capacity on the coal line.



- (78) Honourable Speaker, one of the most anticipated project is the Moloto Development Corridor. I wish to take Honourable Members and the people of Mpumalanga into confidence about developments on this long over-due project. The Moloto Rail Development Project will take a number of years before the rail becomes operational due to the nature and capital outlay requirement.
- (79) However in the short term, focus will be on critical portions of the road (R573) through engineering and infrastructure interventions like: upgrading of major intersections, closing of selected and most hazardous and illegal accesses, introduction and repairing of existing street lighting and relocation of informal traders
- (80) In this regard, R1.1 billion has been allocated to SANRAL for the MTEF period and R30 million of this amount has already been spent during the 2015/16 financial year. SANRAL has committed to set aside a portion of this budget for local beneficiation through employment creation and upgrading of local contractor development.
- (81) The Department is assisting with social facilitation to ensure that everyone is taken on board about this project. Let us also highlight that this is a project of the National Department of Transport. SANRAL is tasked with the road upgrade whilst PRASA is responsible for the rail part of the project.
- (82) The Department will continue to implement the Integrated Rural Mobility and Access (IRMA) programme during the 2016/17 financial year. The people of Masibekela in Nkomazi Local Municipality and Avontuur in Albert Luthuli Local Municipality will be happy to hear that we have set aside an amount of R10 million for the construction of a culvert bridge and footbridge respectively in their areas.



## Programme 5: Community Based Programme

- (83) Honourable Speaker, The fifth administration committed to creating 6 million work opportunities by the end of its term. This massive target will by and large be delivered through the Expanded Public Works Programme (EPWP).
- (84) Our caring government has a responsibility to look after the weak, infirm and vulnerable sections in society. More importantly it has the responsibility to bridge the divide between the “haves” and “have nots” thereby contributing towards the triple trajectory of social equality, poverty alleviation and employment generation.
- (85) The Expanded Public Works Programme provides poverty and income relief through temporary work for the unemployed to carry out socially useful activities. EPWP is designed to equip participants with a modicum of training and work experience, which should enhance their ability to earn a living in future.
- (86) In the main, the Programme involves the participation of many departments and municipalities – rather it being a single line budget item that runs through the Department of Public Works, Roads and Transport.
- (87) Amidst sluggish economic environment, there has been good progress made in meeting some of the EPWP priorities. The impact assessment study of EPWP II indicates that many beneficiaries’ lives were positively impacted.
- (88) It was a big challenge for most households to be able to provide for their families and EPWP projects made it easier for these families to have food on their tables. In the current financial year, DPWRT will coordinate the creation of 60 313 work opportunities by 31 public bodies within the Province.



## The Budget

- (89) Honourable Members, please allow me to present the budget of the Department for 2016/17 financial year. The budget has seen a marginal growth of **two hundred and forty six million, nine hundred and eighty two thousand rands** (R246, 982,000) or 5.6 per cent as compared to the adjusted appropriation budget of **four billion, four hundred million and forty nine thousand rands** (R4, 400,049, 000) in 2015/16 to **four billion, six hundred and forty seven million and thirty one thousand rands** (R4, 647,031,000) for 2016/17 financial year.
- (90) Equitable share increased by **two hundred and seventy four million, seven hundred and forty one thousand rands** (R274,741,000) from the adjusted appropriation of **two billion, one hundred and thirty five million, one hundred and forty four thousand rands** (R2,135,144,000) for 2015/16, to an amount of **two billion, four hundred and nine million, eight hundred and eighty five thousand rands** (R2,409,885,000) in the 2016/17 financial year.
- (91) Conditional grants decreased by **twenty nine million, two hundred and twenty seven thousand rands** (R29,227,000) from **two billion, two hundred and thirty seven million, seven hundred and twenty eight thousand rands** (R2,237,728,00) in 2015/16 to **two billion, two hundred and eight million, five hundred and one thousand rands** (R2,208,501,000) in 2016/17 financial year.
- (92) The budget of the Department of Public Works, Roads and Transport, Vote 8, is broken down per programme as follows;



- **Administration** **R 249, 926, 000**

(Two hundred and forty nine million, nine hundred and twenty six thousand rands)
  
- **Public Works Infrastructure** **R 834, 234, 000**

(Eight hundred and thirty four million, two hundred and thirty four thousand rands)
  
- **Transport Infrastructure** **R 2 356, 993, 000**

(Two billion, three hundred and fifty six million, nine hundred and ninety three thousand rands)
  
- **Transport Operations** **R 1 131, 319, 000**

(One billion, one hundred and thirty one million, three hundred and nineteen thousand rands)
  
- **Community Based Programme** **R 74, 571, 000**

(Seventy four million, five hundred and seventy one thousand rands)
  
- TOTAL** **R 4, 647, 031, 000**

(Four billion, six hundred and forty seven million and thirty one thousand rands)



## Conclusion

(93) In conclusion Hon Speaker and Members, allow me to thank the Executive Council under the steadfast stewardship of Honourable Premier Mabuza for the kindness, care and support at all times even when the road ahead sometimes seem gloomy.

(94) I want to thank my organisation the African National Congress under the leadership of Cde DD Mabuza for entrusting me to carry out the mandate of the Department of Public Works, Roads and Transport.

(95) I also extend our warm gratitude to the Chairperson of Portfolio Committee, Hon GC Shabalala for the oversight role they continue to exercise over the department. Their insightful guidance keeps us on our toes and we trust our presentation here today represented the views and aspirations of the committee.

(96) I also want to thank the Head of Department, his entire management and all employees of the Department for their continued support. This collective understands the pole position they occupy in society and put endless efforts to earn the respect of those in whose behalf they exist.

(97) Lastly, I would like to thank the support and understanding of my family in particular my husband, mother and children for ours is a race and the baton is entrusted on us. Therefore we dare not fail our people, even if this comes with a price of depriving them of our time.



(98) Addressing the 90th birthday celebration of Cde Walter Sisulu, at Walter Sisulu Hall in Johannesburg on the 18th of May 2002, our gallant hero of the struggle, Former President Nelson Rolihlahla Mandela profoundly reminds us that; ***“What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.”*** Each day of our lives we endeavour to give meaning to these profound words.

(99) I thank you.





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