



public works,
roads & transport

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

DEPARTMENTAL

Strategic and Annual Performance
Planning Session



POLITICAL OVERVIEW BY MEC TS THOMO

24 - 25 OCTOBER 2024



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Strategic and Annual Performance Planning Session

ACKNOWLEDGMENTS

- **Head of Department Mr MC Morolo**
- **Acting DDGs, Mr Mona, Ms Sengwayo and Mr Rikhotso**
- **Our Chief Financial Officer Ms Mdaka**
- **Our Chief Directors and the entire cohort of our Senior Management Officials here with us today**
- **The Audit Committee**
- **Our invited stakeholders from other institutions**
- **Ladies and gentlemen**

Receive my warm greetings

1. We convene today to fulfill the requirements of the Framework for Strategic Plans and Annual Performance Plans. This gathering serves a pivotal purpose, charting the department's course for the next five years.
2. This Strategic Planning session, being the first for the 7th Administration marks a critical juncture in our department's trajectory, as we are going to navigate our course in a transformed political landscape and heightened public expectations. The commitments made during our electoral campaigns have generated widespread anticipation, and our communities eagerly await tangible outcomes.
3. In recognition of these factors, our approach must meet the accelerating demands of our citizens. We must align our strategic objectives with the National Development Plan (NDP) 2030, the draft MTDP 2024-29 with a focus on its three strategic priorities, the Provincial Growth and Development Strategy (PGDS), while more importantly considering the priorities outlined by the Hon Premier in the Opening of the Legislature Address.
4. As we embark on this critical exercise, we recognize the imperative of aligning our collective skills and expertise toward a shared vision: accelerating the delivery of sustainable services to our communities.
5. As we meet today, it is important that we reflect on our past and existing plans, assessing their successes and areas for improvement. This introspection will empower us to adjust, or adapt our strategies as needed, ensuring alignment with our core mandate.
6. This gathering aims to consolidate our collective wisdom, identifying the best route and mode of strategy to achieve our mandate. By evaluating past achievements, aligning existing initiatives, and leveraging collective knowledge, we are here to refine our strategic direction and to enhance our operational efficiency.

ACKNOWLEDGMENT OF PERFORMANCE ACHIEVED

7. I would have made a mistake, if I do not start by applauding our team for the good work I have witness since my arrival in the department. As the Department of Public Works, Roads and Transport our achievement within the first 100 days is at an impressive 88% achievement rate of our commitments and priorities.
8. I extend my gratitude to each of you, for your hard work and dedication, which have led to our department's outstanding achievements. Your tireless efforts, often extending into late night meetings and weekend work sessions, have paid off.
9. We must leverage this momentum to propel our department towards sustained positive performance. Our focus shifts to strategizing for prolonged excellence.
10. Over the next two days, through our collective expertise, we will develop actionable plans and align our strategies with provincial and national policy objectives.
11. Program Director, the wisdom of Abraham Lincoln resonates profoundly with our session for today when he said: "Give me six hours to chop down a tree, and I will spend the first four hours sharpening the axe." This classic phrase underscores the vital importance of preparation, planning, and strategic thinking.
12. Today, we sharpen our axe. We refine our strategy, hone our skills, and synchronize our efforts to ensure efficient and effective service delivery.

PROVINCIAL OVERVIEW AND OUTLOOK

13. Program Director, the people of our province continue to face numerous challenges, and as the department, we must recognize the weight of their expectations on us. The Mpumalanga Infrastructure Masterplan highlights public infrastructure investment as a leading solution.
14. The 2023 Socio-Economic Review and Outlook (SERO) report makes a critical observation that public infrastructure investment, can play a leading role and makes an aspiration that it must be equal to 10% of provincial GDP by 2030.
15. As the department that is critical in the fulfillment of the Mpumalanga Infrastructure Masterplan (MIMP), we must recognize this aspiration as our imperative.
16. Programme Director, another observation that was revealed by the 2023 SERO report is that most industries in our province are currently not contributing sufficiently to our average annual economic growth.
17. According to this report, in 2022, the expenditure by the Mpumalanga Provincial Government (MPG) on infrastructure was equal to approximately 1.0% of our provincial GDP. Therefore, in order to reach the stated goal of 10% of GDP by 2030 in Mpumalanga, public expenditure on infrastructure in Mpumalanga has to increase exponentially by more than 20%. Indeed, this aspiration is daunting, but we must do our part.
18. Therefore, it is imperative that for these 5 years, we prioritize the adoption and implementation of effective government led-industrial development strategies that will be centred on increasing investments in infrastructure development in the province.

PROVINCIAL POPULATION GROWTH RATE AND NEEDS ANALYSIS

19. Program Director, our province is experiencing rapid population growth, with one of the fastest average annual increases nationwide. This demographic shift necessitates a strategic reassessment of our plans to ensure that our service delivery output keeps pace.
20. The accelerating population growth rate creates escalating demands for our services, fueling heightened expectations from our communities. To address this, our 5-year plan must be coherent, responsive, and adaptive.
21. Our planning for the next 5 years should be focused on aligning our service delivery output with the demographic realities of the province.
22. By integrating population growth projections into our planning framework, we can effectively anticipate and prepare for the increasing demands on our services. This strategic approach can enable us to optimize resource allocation, enhance infrastructure development, foster collaborative partnerships, and ensure sustainable and equitable service delivery.
23. Critically, as our population grows, our infrastructure needs urgent attention, particularly in the areas of our road networks, public buildings, and transportation systems. We must prioritize investments in our critical roads more especially tourism routes, building infrastructure upgrades and new constructions, as well as optimizing our output on the projects we are implementing particularly community amenities, such as schools, healthcare facilities, and recreational spaces that we are implementing for other departments.
24. By doing so, we can create a resilient and adaptive infrastructure that supports the needs of our expanding population. This proactive planning will not only alleviate current pressures but also position our province for sustained growth, economic development, and improved quality of life for the people of Mpumalanga.

FINANCIAL PERFORMANCE AND OUTLOOK

25. Program Director, the cornerstone of our planning framework relies on financial viability. Therefore, it is important that we bolster our capacity to manage departmental finances with prudence and efficiency.
26. Amid the prevailing economic and fiscal constraints, we must make informed policy decisions that strike a balance between affordability and budgetary pressures.
27. To navigate this fiscal landscape, we must exercise unwavering fiscal discipline, ensuring alignment between our financial commitments and strategic priorities. We cannot compromise on core spending for our department's programs, even as we confront budgetary constraints.
28. Our commitment to responsible financial management will enable us to optimize resource allocation and prioritize essential expenditures. By harmonizing fiscal prudence with programmatic imperatives, we can safeguard the integrity of our department's mandate and fulfil our commitments effectively.
29. Program Director, achieving improved audit outcomes requires proficient public fund management, strict legislative compliance, and elimination of disregard for protocols. We must uphold financial management, transparency, effective risk management and strengthened internal controls, accountability, and consequence management to demonstrate fiscal discipline as well as building public trust.

30. The Auditor General's report for the 2023/2024 financial year highlights stagnant audit outcomes, poor project management, and delayed service delivery projects, specifically mentioning the Construction of Mkhondo Boarding School and the upgrading of the road in Timbavati.
31. The Auditor General's report further cited critical shortcomings on our part as a department, notably the persistent lack of integrated planning and budgeting. The report furthermore indicates that contractors are often appointed without sufficient funding to complete projects within the contracted timeframe. The project managers' performance contracts lacking measurable output and outcome measures, while payment certificates are certified by the department and professional service providers without verifying alignment with onsite work.
32. Program Director, to address these critical finance issues, we must not compromise on consequence management for irregular expenditure, enhance expenditure management, improve procurement and contract management, and fill critical supply chain management vacancies, embark on the rotational process of SCM Practitioners in accordance with the 2009 circular. This will promote fiscal discipline, accountability, and optimal resource allocation, ultimately achieving an improved audit outcome.

ON HUMAN RESOURCES

33. The department should recognize the imperative to enhance internal capacity, particularly in core functional areas. To achieve optimal performance, we must ensure that our Districts and cost centers operate efficiently, leveraging skilled personnel and adequate equipment.
34. Regrettably, our vacancy rate remains very high, hindering our departmental effectiveness. To address this, we are directed to explore all viable funding options to supplement our compensation of employees budget. This will enable the swift advertisement of critical vacant posts as soon as possible.
35. As we strive for excellence, our goal should be to attract highly skilled professionals who are driven by our shared vision, not just remuneration packages. We want talented individuals to envy being part of our progressive team, where we are redefining the narrative and achieving exceptional results.
36. In my short time working with this team HOD, I have witnessed remarkable capacity and dedication. Our department boasts exceptional men and women with impeccable skills and unwavering commitment.
37. At the political level, it's our responsibility to support and empower this team, fostering an environment conducive to innovation and growth. Together, we can propel this department to unprecedented heights, delivering outstanding service to the public and setting a new standard for excellence.
38. We must unlock technical bursaries and skills development opportunities; the department must collaborate with Sector Education and Training Authorities (SETAs) and other industry authorities. We must establish partnerships to provide our employees with access to relevant training programs, workshops, and conferences, addressing critical skill gaps and shortages.
39. The department should also look at ways in how we can offer technical bursaries to employees pursuing qualifications in key areas, aligned with our organizational needs. Furthermore, prepare proposition on the discussion for decentralizing the provincial bursary to allow departments to align funding opportunities with our departmental needs.

ON PUBLIC INFRASTRUCTURE

40. During our 100-day Action Planning, we successfully conducted sod turnings for critical road projects, highlighting both achievements and areas for improvement. This experience underscored the need for coherent planning, eliminating potential gaps in implementation.
41. Moving forward, we must ensure thorough consideration of all project implications, particularly financial viability, before publicly announcing projects. Advertising roads projects with limited budget availability can create unrealistic expectations and disappointment among communities. Let us draw lessons from our recent experience and refine our approach to ensure seamless project execution.
42. As the largest economic sector in the province, mining contributes significantly to our economic growth, accounting for more than 27% of provincial output, followed closely by manufacturing at 13%. This underscores the critical importance of strategic private sector partnerships on infrastructure development, particularly on upgrades and rehabilitation of our provincial roads.
43. On our building infrastructure, we must intensify our efforts to complete the Parliamentary Village and Mkhondo Boarding School projects, as their delayed completion casts a negative light on our department's work. Despite investing heavily in building infrastructure, our reputation suffers due to constantly shifting targets and extended deadlines.
44. It is crucial we recognize that our predecessors also grappled with these projects, and that cannot be continuing during my tenure, we should therefore complete them and bring them to fruition. We are at the tail end of these projects, and swift completion is vital without compromise. We have made public commitments to finish these projects during our policy and budget speech, and we must uphold that promise to the legislature and the people of the province.
45. Program Director, we cannot continue to hold meetings without tangible progress. It is time for decisive action and tangible results. We owe it to ourselves and our department's reputation to complete these projects as soon as possible. If we are true to our call to achieve significant growth and greatness as a department, we must therefore be prepared to let go of our small and previous habits.
46. We should also consider the most effective options on the establishment of the Project Management Unit (PMU) as recommended by the Auditor General, to enhance project governance, accountability, and delivery.
47. To safeguard the integrity and market value of our immovable assets, it is imperative that user departments allocate adequate budgets for routine maintenance, ensuring these buildings remain in optimal condition.
48. Furthermore, we must expedite the revamping and utilization of currently unused buildings. This strategic initiative can enable our provincial government to enhance asset utilization and reduce long-term rental expenditures.
49. To be able to achieve this objective, we need to be able to adopt a pragmatic approach, characterized by a comprehensive asset inventory and assessment, identification of underutilized properties for renovation and repurposing and enhancing interdepartmental collaboration to prioritize maintenance and upgrades. Through strategic planning and proactive management, we can be able to maximize the potential of our immovable asset portfolio, yielding tangible benefits for the government in the long run.

50. Programme Director, the development of a comprehensive Operationalization Model for the Parliamentary Village is imperative. The department should present the most effective operational model which will demonstrate our readiness assessment, cost analysis, operational analysis, and preparation of necessary processes for implementation with includes maintenance and other critical utilities.
51. For the first quarter performance, I noted with concern that our Community-Based Programmes have achieved below 60%. HOD, this under performance demands immediate attention, as it jeopardizes the ability of the department to meet planned targets, and it is crucial to get this program back on track.

MANAGEMENT OF PUBLIC TRANSPORT

52. Also, with regards to the Performance on the first quarter performance, another concerning program is the transport Operations, which have achieved below 60% in the first quarter. The challenges in Transport Operations have been evident, and urgent action is also required.
53. Last year's Taxi Indaba identified pressing concerns within the mini-bus taxi industry in our province and produced key resolutions. Effective implementation and tracking of these resolutions would have significantly addressed most challenges.
54. Unfortunately, most of the issues persist and continue to grow. Key challenges in the sector includes the regulation and compliance, safety standards, conflicting among operators, and law enforcement related issues. These challenges hinder the industry's potential, affecting commuters' safety and overall transportation efficiency. To move forward, we must assess progress on the Indaba's resolutions and identify outstanding actions.
55. During this strategic planning session, it is crucial we revisit and address these concerns. We should prioritize actionable solutions to strengthen our Transport Operations.
56. The current scholar transport management model continues to face significant challenges, this has been evident in the recent surge in scholar transport related accidents. The scholar transport program faces budget pressures, revealing planning and management shortcomings. To protect the program's integrity, we must act proactively, reviewing planning and budgeting processes and developing a comprehensive Scholar Transport Management Model.
57. The Directorate needs to therefore present a turnaround strategy for our Transport Operations and also review our Scholar transport provision strategy, Contracting and payment model as well as enabling the department to move towards an internal Scholar transport monitoring model that will be located in the Transport Inspectorate.
58. This strategic planning session is crucial for reconfiguring our strategic direction and setting long-term objectives, especially since the economic growth objectives of the province rely heavily on our department's ability to create enabling infrastructure. Our role is vital in supporting economic growth and social development goals, and we must harness private funding to supplement government finances.
59. Over the next two days, let's engage in productive deliberations, sharing insights and expertise to propel our department and the province forward. Our collective participation will be instrumental in shaping a brighter future.

60. As I conclude, I would like to leave you with another classical Tanzanian proverb that says: "One finger cannot lift a rock." This ancient proverb reminds us that collective effort is essential for success.
61. Just as sharpening the axe enables effective tree-chopping, our carefully crafted plans demand collaborative execution and united action.
62. We must work together, leveraging each other's strengths, to lift the rocks that lie ahead.

Thank you.

NOTES



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“Let’s Grow Mpumalanga Together”