



public works,
roads & transport

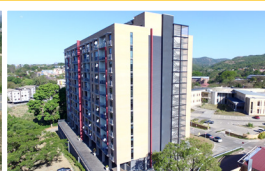
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



POLICY AND BUDGET SPEECH — 2019/20 —



Mr Gillion Mashego (MPL)
MEC: Public Works, Roads and Transport



POLICY AND BUDGET SPEECH 2019/20

VOTE 8

ACKNOWLEDGEMENTS

Honourable Speaker, Busisiwe Shiba,
 Honourable Deputy Speaker, Vusi Mkwatshwa,
 Premier of Mpumalanga, Honourable Refilwe Mtsweni-Tsipane,
 Honourable Chief Whip of the majority party, Fana Vincent Mlombo,
 Chairperson of the Portfolio Committee, Honourable Speedy Mashilo,
 Honourable Members of this August House,
 Chairperson of the House of Traditional Leaders, Inkhosi Sandile Ngomane and
 members present in our midst,
 Executive Mayors and Councillors,
 Heads and Representatives of Chapter 9 Institutions in the Province,
 Acting Chairperson of the ruling party, Mandla Ndlovu,
 Leaders of the ANC's women, youth and veterans leagues,
 Leaders of faith based organisations,
 Acting Director General, Kgopana Mathew Mohlasedi,
 Acting Head of Department, Sindisiwe Xulu,
 Management of the Department and all employees;
 Invited Guests,
 Members of the Media,
 Fellow Mpumalanga Citizens,



It is a great honour to be afforded an opportunity to table the Policy Framework and Budget Vote of the Department of Public Works, Roads and Transport for the 2019/20 Financial Year.

On the 08th of May 2019, South Africa went through successful elections for both the National and Provincial spheres of government. The people of South Africa have once more placed their confidence in the ruling African National Congress as the custodian of their wishes, hopes and aspirations. We are committed to deliver on the expectations of our people according to our election manifesto of 'Let's grow South Africa together'. The realisation of our election manifesto commitments will, among others, find expression in the priorities, programmes, initiatives and activities of the Department of Public Works, Roads and Transport.

Madam Speaker, the tabling of the Budget Vote 2019/2020 coincides with the month for celebrating one of South Africa's icons, Nelson Rolihlahla Mandela. We are reminded of the legacy of one of our gallant stalwarts, the son of the African soil whose selfless dedication towards the struggle against the forces of racial discrimination shaped the course of our freedom. Nelson Mandela symbolise a spirit of resistance against one of the most brutal system of apartheid. We learn about his perseverance in the struggle for liberation and the achievement of human rights for all South Africans. It is this example of perseverance that we should emulate in ensuring that we deliver on commitments and promises made to our people.

Today, South Africa enjoys the fruits of liberation cultivated through the sweat and blood of our forefathers. Although we are free, poverty has become the shackles of our modern age. But there is no deficit in human capacity to change the status quo, deficit is in human will. As Madiba once said, "Poverty is not an accident, like slavery and apartheid it is man-made and can be removed by the actions of human beings."

I therefore invite honourable members of this house and our fellow citizens to petition not only through our voices but through action behind the legacy of uTata Madiba who refused to betray the vision of our liberation for the sake of comfort but denounced the injustices of the past. An ideal for which he was prepared to die.

Honourable members, this is the founding principle that guides our agenda towards the provision of an efficient, effective and affordable public infrastructure and transport system that shall enable access to social amenities, eradicate poverty, combat inequality and create work opportunities for our people. As uTata said, "For to be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others."



Honourable Speaker, we stand before this August House to pay our bills of indebtedness to the citizenry of “*The Place of the Rising Sun*”. We are indeed mindful that our instalment towards the eradication of poverty, unemployment and inequality is insufficient to cover the interests and plight of our people, and adequately address the historical injustice and discrimination accumulated over the past hundred years. However, we are determined that the rising sun will not set before we have settled our account in full.

Honourable Speaker, an efficient and effective public sector is pivotal to realise the priorities espoused in the **National Development Plan (NDP)**. Equally, an efficient and effective Department of Public Works, Roads and Transport is critical to realise the socio-economic outcomes contained in the **Mpumalanga (MP) Vision 2030**.

Therefore, there is a need for competencies that will enable the Department to deliver on areas such as infrastructure planning, procurement and delivery. However, our efforts to this regard are sometimes hampered by the increasing staff turnover. For example, in the last two months we saw the departure of 3 registered professionals within our Building and Transport Infrastructure Programmes.

To mitigate this risk, a **personnel rotation system** has been adopted and some responsibilities have been synchronized. More importantly, we managed to advertise 14 technical posts in an effort to address the skills deficit within the Infrastructure Programmes.

Critically, the Department has to be proactive in developing technical skills capacity that it needs. In this regard, we have partnered with the Council for Built Environment (CBE) to provide a **structured mentorship/candidacy programme** in order to accelerate the professional registration of our technical staff. I am pleased to report that recently 2 of our employees within Building Infrastructure have obtained their professional registration in quantity surveying.

Madam Speaker, I am also particularly proud of the work that we have done to support investment in skills, especially amongst the youth. Our plan to address this includes **more effective use of various graduate recruitment** schemes to provide a more coherent targeted training to build skills for young people. At the pinnacle of these interventions, is the Young Professional Programme targeting to inspire a new generation of young people to become registered professionals. To date, this programme has seen registration of 4 young professionals in the fields of engineering and quantity surveying.

At the same time, there is a need for more effective use of bursaries, apprenticeships, learnerships and internships to address long-term skill needs. Noteworthy is that a majority of skills take time to develop and require not only formal qualifications but also effective on-the-job training with junior officials learning from more experienced professionals.



Pursuant to this objective, I have introduced a **Training Programme (Siyatibambela Skills Development Programme)** where we have partnered with M2 Engineering Academy, Forek Institute of Technology and Phingoshe Holdings. As part of practical training, 40 learners were deployed to do maintenance of the Bhuga Clinic which included electrical, welding, carpentry, painting and plumbing.

Crucially, the **duration of our internship programme** have been extended from 01 to 02 years while training on the learnership programme has been extended from 12 to 36 months. This will enhance the employability of graduates and improve the absorption rate from these programmes.

Madam Speaker, our interventions against unemployment can only be achieved through collaboration with a number of key delivery partners. We will engage the Department of Education to assist us to create a standardised framework for the provision of critical skills needed to drive economic growth and social development.

Further partnerships will be explored with various stakeholders including **the Mpumalanga Regional Training Trust (MRTT)** and **TVET colleges** to identify opportunities for unemployed artisans, particularly young people. Moreover, we will ensure biasness towards government bursary holders during intake in the various graduate recruitment schemes.

PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Madam Speaker, we have made significant progress towards realizing the aspirations of the **Mpumalanga Infrastructure Master Plan (MIMP)**, in particular to social infrastructure. In 2018/19 financial year, the Department implemented an extensive building infrastructure works programme to the value of approximately R2.7 billion and completed 169 projects on behalf of other departments. Projects completed include amongst others:

- 146 Schools including 98 basic services projects, 44 renovation, refurbishment and repairs projects, and 4 new schools
- 13 Health facilities
- 03 Social development projects, and
- 07 Libraries



In the 2018/19 financial year construction of key flagship projects such as the Mpumalanga Parliamentary Village and Mkhondo Boarding School commenced. There is also ongoing construction work on the following multi-year projects: Aerorand Primary School; Bethal Hospital; Middelburg Hospital; Embalenhle Branch Office; and provision of basic sanitation in various schools across the Province.

Honourable Members, our role as an implementing agent in the planning, design, implementation and maintenance of public infrastructure has been confirmed through the reconfiguration of national departments, in particular Public Works and Infrastructure. Most of what we set out to do in the building infrastructure portfolio relies on inputs from other departments. Going forward, all projects will be subjected to the Infrastructure Delivery Management System (IDMS) in order to ensure adequate duration for planning, procurement and resource allocation. The Mpumalanga Infrastructure Master Plan (MIMP) will also be reviewed in order to incorporate the new growth and development imperatives.

For the 2019/20 financial year, the Department of Public Works, Roads and Transport will be implementing 254 projects on behalf of other departments. Of these, 20 are for Department of Health; 215 Department of Education; 12 Department Culture, Sports and Recreation; 5 Department of Social Development and the Parliamentary Village. Amongst the key projects under implementation per department are the following:

- **Department of Education** = Completion of the new Thaba Chweu Boarding School, Construction of Mokgalithwa Primary School, and Construction of Prince HR Nkosi Primary School and Construction of various basic sanitation projects across the Province.

Commencement of 4 new schools i.e. Boschrand Primary School (Msholozzi); Yinhle Lentfo Primary School (Phase 2); New Doornkop School (Phase 2); Chayaza Secondary School have been prioritized in the current financial year.

- **Department of Health** = Mmametllake Hospital Phase III (Major upgrades and additions), Mapulaneng Hospital, New Pankop CHC (Construction of new CHC and accommodation unit), New Oakley CHC (Construction of new CHC and accommodation unit) and Tintswalo Hospital (major upgrade and renovations) are currently under implementation.

Commencement of Rob Ferreira Hospital Oncology Ward (Planning and alterations); Schunzendale Clinic and Middelplaas Clinic (Phase B on both projects) and New Kanyamazane CHC (Construction of new CHC and accommodation unit) and Witbank Hospital are prioritised for this financial year.



- **Department of Social Development** = projects currently under construction in the 2019/20 financial year include the New Msogwaba Youth Development Centre and the New Daantjie Youth Development Centre.

Evander mobile offices and New Thulamashe Children's Home have been prioritised for the current financial year.

- **Department of Culture, Sports and Recreation** = New Thubelihle library, new Sakhile Dual Purpose Library, new Thulamahashe Public Library and Mashishing (Lydenburg) Regional Library are currently under construction.

The upgrading of Emalahleni main library, new Mmamethlake library and new KwaMhlanga library have been prioritised for commencement this financial year.

Over the past five years, government has invested in the construction of various public infrastructure buildings. However, the capital envelope is inadequate for the preservation of these government assets. To address this, we need to expedite condition assessment on all state-owned buildings in order to determine the maintenance need and costs thereof. In compliance to **Government Immovable Asset Management Act (GIAMA)**, government has to ensure that users of these buildings bear the maintenance costs.

In the interim, day-to-day routine maintenance continues at the various facilities while several interventions are being undertaken to explore opportunities to reduce maintenance costs and related backlogs. To achieve this, it is imperative that we dispose unutilised properties and land in our asset register in line with GIAMA.

PROGRAMME 3: TRANSPORT INFRASTRUCTURE

Honourable Speaker, transport infrastructure is an essential part of Mpumalanga economy, providing a network for mobility of people and goods; and connectivity of homes and businesses. During the 2018/19 financial year, the Department continued to deliver a number of major upgrades to the roads infrastructure to support Mpumalanga's economy and meet basic transport needs of our communities.

Honourable members, the Province provides the strategic economic infrastructure road network that ensures security of supply and sustainability of energy in South Africa. Through the coal haulage road network in Gert Sibande and Nkangala, an amount of R741 million has been invested to improve the condition and quality of the road.



Improvements made on the road network last year include the completion of **11 transport infrastructure projects** constituting 142 kilometers of upgrade and rehabilitation whilst a number of maintenance projects were completed. The maintenance works included resealing of 1, 7 million square meters of surfaced roads, patching of 400 000 square meters of potholes, regravelling of 321 kilometers and blading of 28 600 kilometers of gravel roads as well as various routine maintenance works.

Honourable members, the communities of Justicia, Lilydale and Merry Pebble are now enjoying better access roads and as a result, their journeys have improved a great deal. In the same manner, the community of Boschfontein, Magogeni and Mathysloop are now able to safely cross the dangerous streams. These projects represent important milestones in our endeavour to improve access and mobility in rural areas.

There is an increasing demand for better quality roads as a result of the inherited historical backlogs. On the other hand, there is also inadequate funding as the road infrastructure programme is mainly dependent on grant funding. The current funding model for transport infrastructure is therefore unsustainable hence alternative funding mechanisms are continuously explored to address the growing demand.

Notwithstanding this, the Department has consistently allocated a significant component of its budget to this economic infrastructure. In the 2019/20 financial year, almost R1, 8 billion will be spent to meet the basic transport needs of our communities.

The following new projects will commence during the financial year 2019/20:

- Road D2950 from R571 (km 0.0) past Mananga (13.5 km)
- Road D2950 from D797 (km 44.9) to Dludluma, including ring-road (8km)
- D2975 from P258/1 (Daantjie) Eastwards past Daantjie Police station (2km)
- D2978 from D2977 in Matsulu B (2.4km)
- D481 between Mooiplaas and eKulindeni (7.2km)
- Upgrade of P57/2 from D3967 (near Mapulaneng Hospital) to R40 (near Bushbuckridge SAPS).
- D935 from Limpopo boundary past Katjibane to D2740 Nokaneng (9km)

An overview of the major ongoing projects funded for the year includes the following:

- Upgrading of Road D4407, D4409 and a section of D4416 between Hluvukani and Road P194/1 near Welverdiend (15.6 km)
- Upgrading of Road D281 between Volksrust and Daggakraal (12.5 km)
- Brick Paving and Rehabilitation: Louisville Road D233
- Upgrade of Road D3960 (9.2 km) and D4442 (3.6 km) Ga-Motibidi to Rainbow (12.7 km)



- Upgrade: D236 (Umjindi Trust Road) West of Barberton (8 km) and patch reseal of 6.3 km
- Upgrading of Road D3973 between Hoxani and R40 (at Marite) (11.4 km)
- Rehabilitation of a Sinkhole \pm 6 km from Delmas on Coal Haul Road P29/1 (R555) (2 km)

Road infrastructure plays a key role in the growth of the tourism sector and economic development and tourism sector. The following **tourism roads** are currently under construction in the 2019/20 financial year:

- Rehabilitation of Road D4396 from D4394 through New Forest A to D4394 (Dwarsloop to Thulamahashe) (9.96km).
- Rehabilitation of Road D4394 from towards Thulamahashe to D396 T-junction (D4394) (5.06km).
- Rehabilitation of Sections of Road P8/1 (18km) between Bambi and Mashishing (Lydenburg) (Phase 2) (18km).
- Rehabilitation of Road D3930 from Acornhoek to D3932 at Hluvukani in Bohlabela (Phase 1) (11.80km),
- Reconstruction of flood damaged bridge on Road D2968 between Numbi and Makoko.
- Design of Road P33/4 between Hazyview and Sabie (Phase 2) (7.7km) for rehabilitation.

Madam Speaker, the Honourable Premier has committed R100 million investment towards the support of youth and women owned SMMEs for paving of townships and rural roads across the Province. To this end, the Department is in consultation with all municipalities in the Province to identify priority areas that need immediate interventions. A comprehensive implementation programme will be developed and finalised.

We have already made substantial inroads towards this municipal **support programme** through rehabilitation and upgrading of 10km of Road D233 in Louieville. The project has been structured as a Community Based Contractor Model and to date 38 SMMEs have been appointed to the value of R105 million whilst over 181 people have been employed on this project. The organizational lessons from this project will be used to inform programme design and implementation of related future projects.

In our bid to intensify the **War on Potholes**, we intend to invest in alternative methods for patching. This investment will significantly improve the state of our roads and equally assist distressed local municipalities in meeting their mandate.



PROGRAMME 4: TRANSPORT OPERATIONS

Honourable Speaker, we have continued work to provide an integrated, reliable and cost effective transport system that meets the developmental needs of the Province. An efficient public transport system and service is only important to the economic growth of the Province but also important to ensure accessibility, reliability and affordability.

The Department is committed to supporting **public transport operations** and subsidises commuters through 6 bus contracts. Approximately R670 million is allocated to support bus services which benefits more than 400 000 commuters across the Province.

In addition, the quality of basic education is supported through the provision of **scholar transport services**. Scholar transport services have been enhanced through the issuing of new contracts and increasing the duration from 3 to 5 years and thus making it worthwhile for operators. The appointment of scholar transport monitoring firms will be finalised to ensure safe transportation of learners and compliance to time frames as part of effective programme management. I am also personally conducting spot checks in various regions to ensure that our learners arrive at school safe and on time.

Honourable members, work is ongoing on the **redesign of the public transport infrastructure around Mbombela**. When this work is completed, it will provide vital capacity increase and address congestion within the municipality. This is a significant part of long term answer towards provision of an integrated public transport system. Discussions are also ongoing at national level to ensure adequate investment is made on other modes, which will allow the Province to move some passengers and cargo from road to rail.

Honourable Speaker, Mpumalanga still believes that rail is the best solution to address the challenges on the **Moloto road (R573)**. However, we acknowledge this may not be possible to implement especially during the prevailing economic conditions. Notwithstanding this, the recent completion of phase I of the upgraded Moloto Road must be celebrated. We are pleased that SANRAL has elevated this road to a national priority and has introduced major engineering interventions to improve safety on this road. As this project evolves, new phases will be introduced and we undertake to keep the affected communities updated on all relevant information.

The Department will continue to mobilise the public to be active participants in our efforts to **promote road safety and to reduce the death toll on our roads**. In this regard, we embrace efforts by various interest groups that will make a substantial and a positive impact on the safety of the people of Mpumalanga. On Thursday, the 4th of July 2019, I joined SANTACO in a prayer session at Kanyamazane Township to seek divine intervention against taxi violence, road carnage and various social ills that have plagued our society.



The occasion enjoined Government, the Taxi Industry, and the society with a mandate to resuscitate society's moral conscience pursuant to a non-violent, drug free, safe and healthy living environment for everyone.

Furthermore, we are joining forces with the Department of Community Safety, Security and Liaison who are the lead department of this campaign. This year, we are going to increase visibility of the transport inspectorate officers and remove unroadworthy vehicles from our roads.

PROGRAMME 5: COMMUNITY BASED PROGRAMMES

Madam Speaker, the Provincial Infrastructure Delivery programme creates an important platform to leverage on state procurement for targeted enterprise development in the built environment value chain. During MTSF 2014 – 2019: a large **number of previously disadvantaged contractors benefitted from government “set – asides”**. Our performance over this period expressed as a percentage of the value of contracts awarded is as follows: Historically Disadvantaged Individuals (HDIs) = 70%, Women Owned Entities = 45% and Youth Owned Entities = 15%.

Furthermore, DPWRT is providing growth opportunities to local suppliers and manufacturers of selected construction material (e.g. bricks, doors, trusses, frames, etc.) through the **Social Enterprise Development Programme (SEDP)**. This programme also plays a crucial role in transformation of the construction industry through its bias support for emerging businesses and black industrialists.

To date, 139 SMME's and Cooperatives have been registered on the SEDP database and approximately R331 million worth of materials have been sourced from these local suppliers since July 2017. Though these figures are below what was projected, it is a step in the direction to obtain the inclusive growth and development envisaged in the National Development Plan (NDP).

Our ambitions for economic transformation are continuously hampered by the supply of poor quality materials by intended beneficiaries. To address this, we have partnered with the Department of Economic Development and Tourism (DEDT) the South African Bureau of Standards (SABS) to develop a support programme for SMMEs/Co-operatives to ensure that testing, certification and training requirements are met.



DPWRT is further mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the **EPWP**. Besides the 215 549 work opportunities created in the previous five-year period: 2014 – 2019, the programme has successfully made a significant socio-economic impact to communities through the creation and maintenance of community assets.

The Department's commitment to create decent jobs builds upon past initiatives targeted at alleviating poverty, developing local communities, providing work opportunities and enhancing social protection. In 2019/20, we will continuously refine our strategies and implementation of public employment programmes. In the next 5 years, DPWRT will coordinate creation of **220 575 work opportunities through the Expanded Public Works Programme (EPWP)**.

Honourable Speaker, amongst the new reforms for this year include enhancement of our emerging **Contractor Development Programme (Sakhábakhi) Programme** to include both building and transport infrastructure projects. In addition, it will now be mandatory for appointed contractors to partner with Sakhábakhi contractors as part of programme enhancement. We also plan to transform this programme into a wholly female participation programme within the next two years.

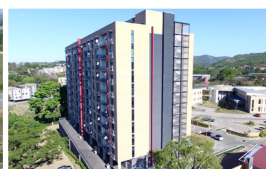
THE BUDGET

Madam Speaker, the 2019/20 budget experienced an increase of R152, 412 000 (One hundred and fifty two million, four hundred and twelve thousand rands) or 2.9% compared to the Adjusted Appropriation budget of R5, 303 752, 000 (Five billion, three hundred and three million, seven hundred and fifty two thousand rands) in 2018/19 to an amount of R5, 456, 164, 000 (Five billion four hundred and fifty six million, one hundred and sixty four thousand rands) for 2019/20 financial year.

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



• Administration	: R 260, 690, 000 (Two hundred and sixty million, six hundred and ninety thousand rands)
• Public Works Infrastructure	: R 1, 220, 979, 000 (One billion, two hundred and twenty million, nine hundred and seventy nine thousand rands)
• Transport Infrastructure	: R 2, 517, 266, 000 (Two billion, five hundred and seventeen million, two hundred and sixty six thousand rands)
• Transport Operations	: R 1 370, 248, 000 (One billion, three hundred and seventy million, two hundred and forty eight thousand rands)
• Community Based Programme	: R 86, 981, 000 (Eighty six million, nine hundred and eighty one thousand rands)
TOTAL	: R 5, 456, 164, 000 (Five billion, four hundred and fifty six million, one hundred and sixty four thousand rands)



CONCLUSION

Looking ahead to 2019/20, my Department has a significant role to play in realising the ambition to 'Grow Mpumalanga Together', as we implement our plans, we look forward to continuing our interaction with the people of Mpumalanga, client departments and private sector who can help us craft the tactics and activities that will best achieve our socio-economic objectives.

Honourable Speaker, special thanks goes to the Honourable Premier for steering the Province in the direction towards realization of the Manifesto and the National Democratic Revolution priorities.

A word of appreciation is further extended to my predecessor, MEC SJ Manzini for providing a solid foundation to launch our plans and the current acting HOD, Ms Xulu and the team at Public Works, Roads and Transport for their continuous support and hard work.

Lastly, I want to thank my family for their continued understanding and support.





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