

# BUDGET VOTE 2021

TAKING PARLIAMENT TO THE PEOPLE



**Public Works, Infrastructure  
and Human Settlements**  
(Speech for the Department of  
Public Works and Infrastructure)  
**(VOTE 9)**

**Hon. M.A Koloi**

**DATE: FRIDAY, 26 MARCH 2021**

**VENUE: WELKOM, TETO SECONDARY SCHOOL**

**THEME: "GROWING THE FREE STATE TOGETHER  
DURING THE PERIOD OF COVID-19"**



**public works &  
infrastructure**  
Department of  
Public Works & Infrastructure  
FREE STATE PROVINCE

**26 MARCH 2021**

**2021/ 2022 BUDGET POLICY SPEECH FOR DEPARTMENT OF PUBLIC WORKS  
AND INFRASTRUCTURE, THE HONOURABLE MOTSHIDISE KOLOI,**

**Madam Speaker**

**Honourable Deputy Speaker of the Provincial Legislature**

**Honourable Premier**

**Honourable Members of the Provincial Legislature**

**Members of the Executive Council**

**Executive Mayors and Mayors Present**

**Councillors Present**

**Leaders of the Opposition Parties**

**Traditional Leaders Present**

**Director General and Heads of Departments**

**Senior Managers and General Staff**

**Our Invited Business People**

**Our Strategic Partners**

**Distinguished Guests**

**Comrades and Friends**

## INTRODUCTION

### **Madam Speaker**

We are here today to table before you our Departmental policy budget vote speech that seeks to advance the aspirations and hopes of our people. It is with deep conviction and a sense of confidence that we place a workable plan before this house for the financial year 2021/2022 Medium Term Expenditure Framework. We are tabling this budget policy under difficult conditions and in the midst of Covid-19 pandemic. Our country and the world is faced with challenges posed by COVID-19 as it detrimentally affects the economy and the social well-being of our people. The impact of this global pandemic of the coronavirus disease is felt mostly by our people who are unemployed, living in poverty, and inequality. As a country and the province we are challenged to do our outmost best in responding to the demands of our people, and in our case the implementation of our developmental programmes such as infrastructure development, economic development and industrialisation are at the centre stage.

**Madam Speaker**, We are honoured to be presenting this budget policy statement in this month of March which is of historical significance to the people of our country and the world at large. On March 21<sup>st</sup> we celebrated our Human Rights Day to honour the people who were massacred in Sharpeville on March 21, 1960, as well as all other compatriots who had died during the course of our struggle for liberation. This was a struggle to end apartheid colonialism and replace it with a non-racial and non-sexist democracy. We draw our strength from these historic moments of our liberation struggle and we renew our commitment to serve our people with pride and honour.

## ADMINISTRATION

### **Madam Speaker**

The Department has complied with the injunction of the Honourable Premier to permanently appoint security learners who participated in the Provincial security learnership programme. Their permanent absorption has ensured that they are placed at salary level 3 and remunerated at R122 595 salary per annum. Through this action

the lives of over 170 security officers together with their families were improved; and for that we thank you Honourable Premier for your leadership and guidance.

Despite the COVID-19 scourge with its concomitant hard lock downs between levels 5 and 1 the Department was able to achieve and maintain its unqualified audit report. This is an important barometer for the prudent use of government resources. The Audit Report by AGSA was concluded within the prescribed time frame and did not necessitate any request for extension of time.

Furthermore, the ethical principles outlined in the Code of Conduct for the Public Service and the financial disclosure framework provided for by the Minister of Public Service and Administration were strictly complied with. The Departmental Compliance was 100% for all categories of staff who are required to disclose their business interests.

**Madam Speaker**, it is of high importance for the Department to continue building an effective administration, with sound governance. During the past year we have successfully appointed the Accounting Officer after the position having been vacant for over a year. I would like to thank the Head of Department Mr. Ernest Mohlahlo for doing a sterling job during his tenure as an Acting HOD for the Department. The position of the Chief Financial Officer was also filled during the current financial year. This position has been vacant for the last four years. It is important for me to thank all the officials who acted in the position of the Chief Financial Officer when the position was vacant. In light of the pressure on the compensation budget during the 2020/21 financial year, the Department has delayed some of the critical posts and these posts will now be filled during the 2021/22 financial year.

## **PUBLIC WORKS (MAINTENANCE)**

### **Madam Speaker**

We are committed to working in collaboration with all Provincial Departments to focus on doing more condition based maintenance. Maintenance of Infrastructure continues to create jobs and to improve our balance sheet. We have concluded the condition assessment reports of various buildings including Mofumahadi Manapo Hospital; Dr JS Moroka Hospital; Boitumelo Hospital and Bongani Hospital. We look forward to the Department of Health budget prioritization for refurbishment of these hospitals over the MTEF period. In the 2020/21 financial year the Department was tasked with the renovation and refurbishment of resorts which were used as quarantine sites as a response strategy to fight Covid-19. Refurbishment and renovation of 9 quarantine site projects were completed within a period of two months and they were handed over to the Department of Health. These resorts are:

- **Tussen die Riviere nature reserve in Bethulie,**
- **Soetdoring nature reserve in Soutpan,**
- **Sandveld nature reserve in Hoopstad,**
- **Willem Pretorious nature reserve in Ventersburg,**
- **Koppies dam nature reserve in Koppies,**
- **Xhariep dam nature reserve in Trompsburg,**
- **Phillip Sanders nature reserve in Bloemfontein,**
- **Seekoeivlei nature reserve in Memel and**
- **Sterkfontein nature reserve in Harrismith.**

### **Madam Speaker**

In the 2020/21 financial year, the Department of Public Works and Infrastructure adopted a strategy to refurbish old buildings that are no longer in use. The strategy is aimed at refurbishing these buildings for occupation by the provincial departments for office accommodation in order to reduce the pressure on rental of buildings; reduce

security costs for securing these buildings but also to avoid further vandalism. Given the budget cuts experienced during the 2020/21 financial year some of the buildings that were planned for refurbishment were reprioritized to 2021/22 financial year. An amount of **R136.4 million** has been budgeted for refurbishment and maintenance projects over the next three years.

The following buildings are amongst those prioritized for renovations and refurbishment in 2021/22 MTEF period:

- **Qwaqwa offices rehabilitation;**
- **Renovations of KGI building in Kroonstad;**
- **Renovation of Agriculture offices in Ladybrand;**
- **Renovation of Agriculture offices in Odendaalsrus;**
- **Refurbishment of Thusanong Building in Bloemfontein;**
- **Phase 2 of Tshireletsong Centre refurbishment in Bloemfontein;**
- **Refurbishment of Old Reserve Bank Building in Bloemfontein.**

**Madam Speaker**, maintenance is about making sure that our buildings and facilities are safe and compliant to occupational Health Standards and that they provide the much needed services to our people at all material times. We will continue in our efforts to restore some of these dilapidated buildings and put them into good use. We will also strengthen our partnership with the private sector by making available some of these buildings to the business community through leases; Build-Operate-Transfer model and through outright sale as strategy to generate revenue for the provincial government. We have also identified provision of student accommodation as one of the strategies that the Department will pursue to generate revenue.

## **INFRASTRUCTURE DELIVERY**

### **Madam Speaker**

The Department of Public Works and Infrastructure is an infrastructure implementing agent for various provincial departments. Over the last two financial years we have re-aligned our project management processes and capacity to ensure improved delivery of projects. We also prioritized completion of old projects that were delayed due to various reasons. The rearrangement of the project management unit resulted in completion of the following projects over the last two financial years:

- **Thembalihle School in Vrede;**
- **Grassland Secondary School in Bloemfontein;**
- **GM Polori School in Hoopstad;**
- **Silindekuhle School in Warden;**
- **Grassland Primary School in Bloemfontein;**
- **Mooifontein Primary School in Zastron;**
- **Botshabelo Substance Abuse Dependency Treatment Centre.**

The following schools are on practical completion stage and will be completed by the end of May 2021:

- **Rehopotswe School in Bethlehem;**
- **Ruang Tsebo School in Clocolan.**

Madam Speaker the construction phase of the following projects will commence in 2021/22 financial year and will continue over the Medium Term Expenditure Framework:

- **Construction of Thandanani Clinic in Welkom;**
- **Rheederspark Clinics in Welkom;**
- **Phase 2 Construction of Charles Mopeli Stadium in Phuthaditjhaba;**
- **Construction of Tromsburg Special School and Hostel in Xhariep;**
- **Construction of Boitumelo Special School in Thaba Nchu;**
- **Construction of Oranjekrag School Hostel in Gariepdam;**
- **Construction of Morena Tsohisi Primary School in Harrismith.**

Madam Speaker, with the planned implementation of the above-mentioned projects, the Department will enforce and implement the PPP Regulations of 2017 whereby subcontracting will be compulsory for any tender that is above R2 million. The Department will set aside a minimum of 30% of the contract value for Local Contractors and SMME Development. These initiatives are instituted by the Department to contribute towards the reduction of unemployment and thus improving the lives of our people. Strict measures will be ensured that these initiatives are carried out within the parameters of approved SCM Policy

## **PROPERTY MANAGEMENT**

### **Madam Speaker**

#### **Immovable Asset Register**

The Department of Public Works and Infrastructure as the custodian of Provincially owned properties has a mandate of maintaining this property portfolio as it contributes towards the investment value and revenue potential of the Province. The register currently has a total number of 4 872 immovable assets to the value of R11, 1 billion.

The Department plans to dispose off 68 vacant sites and 14 plots situated in Clocolan, Tromsburg, Charlesville, Wepenaar, Edenburg, Smithfield, Bloemfontein, Botshabelo, Thaba Nchu, Hertzogville, Odendaalsrus, Frankfort, Heilbron, Koppies, Orangeville, Kroonstad and Winburg in the 2021/22 financial year. These vacant sites will be advertised during the first quarter of the financial year. Property Management Chief Directorate will continue with the audit and the identification of the residential houses that will be disposed off during the 2021/22 MTEF.

The Honourable Premier mentioned in her State of the Province Address that the Department has concluded an audit of the farms owned by the Provincial Government. A total of 95 farms that includes resorts were verified through this audit. As instructed by the Honourable Premier, I will be working with MEC Bulwane to ensure that these farms are used in the production of agricultural products by the majority of our people.



## Property Portfolio Transformation

The Department of Public Works and Infrastructure plays a central role of promoting transformation in the property industry which is by far dominated by Previously Advantaged individuals. The Department has paid a total amount of **R237, 7 million** for office accommodation in the current financial year. The Department currently has **66** leases for office accommodation of which **39** contracts are with Previously Disadvantaged Individuals (HDIs) which translates to **59%** of our transformation target of **60%**; **6** contracts are with Government entities (**which translate to 9%**). This means that the Department is **1%** short of reaching its property portfolio transformation target of **60%** black landlords by 2021. Honourable Premier I have now set a new property transformation target of **65%** over the MTEF period.

## Municipal Payments

Despite the fiscal constraints and the recurring shortfall on our budget for municipalities a total amount of **R 303 million** has been paid to municipalities for water and electricity and **R 436 million** has been paid for municipal rates and taxes in the current financial year. Of these amounts **R 256 million** was paid to Mangaung Metro; **R 71 million** to Centlec; **R 139 million** to Matjhabeng and **R 83 million** to Maluti-a-Phofung Municipality. For 2021/22 financial year a total of **R 263.1 million** is budgeted for municipal services and **R 458.5 million** is budgeted for rates and taxes. Mangaung Metro; Centlec; Matjhabeng and Maluti-a-Phofung remain the biggest beneficiaries of this budget.

In 2019/20 financial year the department introduced water demand management system whereby check meters were installed and leaks were repaired in Free State Psychiatric Hospital as a pilot site. The programme was rolled out to **Botshabelo Hospital; National Hospital; Universitas Hospital; Pelenomi Hospital and Dr JS Moroka Hospital** in 2021/22 financial year. We are pleased to report that the water savings of over **R12 million** was realized from April 2020 to February 2021. We plan to roll out the programme to 6 additional sites in 2021/22 financial year in order to reduce water consumption of our Health Facilities.

## EXPANDED PUBLIC WORKS PROGRAMME

### Madam Speaker

The global pandemic of COVID-19 and the consequent economic effects have brought about massive job losses for the people of Free State. This makes EPWP to become an even more critical instrument to cushion the painful effects of job losses through income support in the form of paid employment.

The implementation of the Phase IV of the Expanded Public Works Programme (EPWP) will mark its 3<sup>rd</sup> year in April 2021. EPWP is a short to-medium-term programme, covering all spheres of government and state-owned enterprises, which aims to provide work opportunities and skills development. Expanded Public Works Programme is funded through normal budgetary processes, through the budgets of other Provincial departments, municipalities and government entities in the province.

The creation of EPWP work opportunities in the fourth phase will target **55% youth, 60% women and 2% people living with disabilities**. The lack of growth in the Free State's economy as well as that of the country at large continues to exert socio-economic pressures which necessitate special interventions from the provincial government to support the poor and the unemployed, with a dedicated focus on the youth.

The Department continues to provide exemplary leadership in the EPWP by implementing various Community Development initiatives such as Cash for Waste, Community Work Programme, Cleaning and Greening Programme, National Youth Service Programme and Township Revitalization Programme. Empowerment and skilling of youth remains a focal point. As coordinator of EPWP in the province, coordination and massification of EPWP amongst all spheres of Government is one of our priorities for 2021/22 financial year.

**Madam Speaker**, through the implementation of four EPWP community development initiatives, **1 543 work opportunities** against the target of **1 690 work opportunities** were created by the Department, of which **166 work opportunities** were created for skilled youth. The Department has successfully implemented a youth development programme under National Youth Service, targeting **70** youth in Deneysville. It is

therefore worth taking this opportunity to thank Sasol Company for being a responsible citizen and we anticipate that more companies will partner with Free State government to create employment opportunities.

The Department prioritises the inclusion of youth, women and people with disabilities in responding to Expanded Public Works Programme (EPWP's) call of income relief to impoverished communities. Of those work opportunities achieved, vulnerable groups benefited as follows: **Women – 1 094 (70%); Youth - 719(46%) and People with Disabilities – 36 (2%)** . The Department trained **896 participants** on Environmental Practice which included OHS aligned to COVID-19, through EPWP Skills Programme.

As the overall EPWP provincial coordinator, the Department facilitated the creation of **53 973 work opportunities**, with the following contribution breakdown:

- **National Departments**                      **3 195**
- **Provincial Departments**                      **15 542**
- **Municipalities**                                      **7 930**
- **CoGTA-CWP**                                      **24 630**
- **Non State Sector**                              **2 676**

The Department would like to acknowledge the visionary leadership of SALGA towards the improved EPWP performance of most municipalities in this financial year. **Madam Speaker**, for the first time in six years, all municipalities in the Free State have implemented the EPWP in the province. The collaboration between the Department and SALGA to unlock EPWP opportunities will be strengthened.

**Madam Speaker**, the rate at which the COVID19 pandemic affected the economy necessitates the expansion of job creation efforts in the province. The Department has initiatives planned at contributing towards income support and social security to the Free State citizens during these hard times. Through implementation of poverty alleviation programmes that are community based by nature, a total of **2 190 work opportunities** will be earmarked for poor unemployed communities in the 2021/22 financial year.

To this effect, a budget of **R78 million** has been set aside for implementation of **4 community based programmes such as Cash for Waste, Community Work Programme, Cleaning and Greening Programme, Township Revitalisation Programme**. An additional budget of **R5.6 million** has been put aside for National Youth Service to expand youth empowerment initiatives.

The Township Revitalisation Programme continues to be the flagship EPWP programme that supports municipalities, showcasing Labour Intensive Construction methodologies while creating temporary work opportunities and skills development in our communities. The Department completed the following TRP projects in 2020/21 financial year:

- **Odendaalsrus Township Revitalization;**
- **Steynsrus Township Revitalization ;**
- **Botshabelo Township Revitalization.**

In the new financial year, the programme will be implemented in:

- **Allanridge;**
- **Botshabelo;**
- **Bultfontein;**
- **Clarens;**
- **Frankfort;**
- **Koppies;**
- **Memel;**
- **Oppermansgronde;**
- **Paul Roux;**
- **Villiers;**
- **Vrede and**
- **Zastron.**

The Department will facilitate the creation of **56 000 work opportunities** across all spheres of Government in the Free State in the new financial year as committed by the

Honourable Premier in her State of the Province Address, with a target of **60% women, 55% youth and 2% people with disabilities.**

My colleague from Provincial Treasury, Hon. MEC Brown has, in her Provincial budget speech announced that **R59.2 million** has been allocated for 2021/22 and earmarked for Expanded Public Works Programmes. All eligible departments and municipalities are expected to put in place mechanisms to ensure compliance to the conditions of the grant while expanding creation of employment opportunities.

## CONCLUSION

### Madam Speaker

Our people yearn for improvement in their lives. All they deserve from us is quality and speedy delivery of basic services. It is our firm belief that we can together do more and better.

**Madam Speaker**, let me take this opportunity to pass my special gratitude to the honourable Premier, Ms S.H. Ntombela for her continued visionary and focused leadership of the provincial government and always being available to provide the necessary support whenever required, albeit under trying demands of her work schedule.

I would also like to extend appreciation to my colleagues in the Executive Council, for their invaluable advice, team-spirit and support.

We extend our gratitude to the Portfolio Committee on Public Works, Infrastructure, Roads, and Human Settlements, ably led by Chairperson Me. Sarah Moleleki for providing the much needed critical inputs to assist the Department in achieving its goals and performing their oversight role with diligence.

I wish to thank my family for their unwavering support as they continue throughout my life and work demands. Lastly, I would like to thank all the staff of the Department under the sterling leadership of the Head of Department Ntate Ernest Mohlahlo.

**Madam Speaker**, I now table the budget for the Department of Public Works and Infrastructure, and accordingly request the house to approve the amount of **R1.739 billion** for the 2021/2022 financial year, which is allocated per programme as:

**Programme 1: Administration – R 141.658 million**

**Programme 2: Public Works and Infrastructure – R 1.488 billion**

**Programme 3: Expanded Public Works Programme – R 109.108 million**

**THANK YOU.**

**BUDGET VOTE: DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE**

<b>BUDGET ALLOCATION PER PROGRAMME</b>	<b>2020/21 (R'000)</b>
ADMINISTRATION	135 885
PUBLIC WORKS INFRASTRUCTURE	1 520 657
EPWP	72 688
<b>Grand Total</b>	<b>1 729 230</b>

<b>BUDGET ALLOCATION PER ECONOMIC CLASSIFICATION</b>	<b>2020/21 (R'000)</b>
Compensation of Employees	491 348
Goods and Services	725 348
Transfer Payments	440 915
Payment for Capital Assets	71 619
<b>Grand Total</b>	<b>1 729 230</b>