

BUDGET VOTE

2024



**FRIDAY,
16 AUGUST
2024**

Hon. D.K Mance
Public Works and
Infrastructure
(Vote 9)



Fourth Raadsaal, Bloemfontein



public works &
infrastructure

Department of
Public Works & Infrastructure
FREE STATE PROVINCE





**Department of Public Works and Infrastructure
2024/ 2025 Budget Vote 9 Speech
Tabled by MEC Dibolelo Mance, 16 August 2024**

Honourable 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 Head of Departments

Our Strategic Partners

Distinguished Guests

Comrades and Friends



Honourable Speaker, I am honoured to present to this house, the seventh and first Departmental policy budget vote speech of this administration as well as our Medium-Term projections for the next three years.

We view this budget as a political policy tool to fight poverty and deprivation and of expanding economic opportunities to all our citizens.

Over the last thirty years we have patiently and painstakingly steered the course. We have boldly confronted socio-economic challenges arising from centuries of injustice, oppression and exploitation.

During this Women's Month, I take this moment to salute the heroic resistance and the tireless struggle of the women of our country, the imbokodos, for massifying the liberation struggle of the people of our country. We are here today because of their resilient struggles; we dare not forget that.

Therefore, as we celebrate Women's Month, we are reflecting on the past but also focused on the future. We say their struggle was not in vain as many of their descendants are now benefiting from the social infrastructure that we are building. Their descendants will become the new knowledge women of the future.

We are preparing them today through our investment in social infrastructure which we are currently setting up in our communities. Much of the social infrastructure that we continue to build in our



townships, informal settlements and new post-apartheid settlements will play a critical role in moulding the women of the future.

Honourable Speaker, as the Department of Public Works and Infrastructure in the Free State province, we promise to never give up on improving everyone's quality of life and to never let anyone fall behind. We still firmly believe that it is our duty to improve the lives of our people for the better. At the back of our minds, we are motivated by Karl Marx's astute remarks when he said...

"It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness".

This policy budget vote is testimony to the Premier's clarion call that we need to intensify the fight against poverty, fight against unemployment and promote sustainable development and growth.

Honourable members, Public Works and Infrastructure as the custodian of provincial government's immovable assets is always focused on strengthening its internal operations to enhance our own capacity.

This budget is not only a financial plan but a roadmap for the professionalization of our Department and its staff. Our goal is to enhance service delivery, promote efficiency, and ensure that our infrastructure projects meet the highest standards of excellence.

The Constitution requires a high standard of professional ethics in the Public Sector. Public Administration must be governed by the democratic



values, principles and standards for professional ethics enshrined in the Constitution. Ethical conduct and departmental integrity are key to eradicate fraud and corruption within the Public Service.

The following three strategic priorities as announced by the President during his Opening of Parliament speech will be our strategic compass, namely:

- **Drive inclusive growth and job creation.**
- **Reduce poverty and tackle the high cost of living.**
- **Build a capable, ethical and developmental state.**

The Department will develop and implement measures aligned to, not only the aforementioned but the strategic vision of the Free State Province to drive growth, job creation and enhancing service delivery to the citizens and clients that utilise government infrastructure.

Administration

Honourable Speaker, during the 2023/2024 financial year which ended with the 6th Democratic Administration, the Department managed to achieve the 3 targets outlined in the performance plan.

The targets are related to skills development, recruitment and the 100% compliance for the financial disclosure framework. Furthermore, the Department also complied with the life style audit imperatives introduced in the Public Service by the Department of Public Service and Administration. **Eighty six (86)** life style reviews were concluded.



Furthermore, the Department applied the ethical principles outlined in the Code of Conduct for the Public Service and the Financial Disclosure Framework provided by the Minister of the Public Service and Administration. The Department's compliance was 100% for all categories of staff who are required to disclose their business interests.

The Department facilitated more than **thirty-six (36)** different training interventions including National School of Government's (NSG) free online training and **four hundred and fifty (450)** permanent employees were skilled in different disciplines.

Honourable Members, in this current 2024/2025 financial year the Department has prioritised the professional development of employees bearing in mind that a competent well trained workforce is a requisite for achievement of departmental objectives. For this financial year, the Department is targeting **twenty two (22) training interventions**.

We will also invest **Nine hundred and fifty thousand rands (R950 000)** for staff on salary levels 2-4 to undergo the compulsory Ethics training which is one of the cornerstone skills development interventions primed at contributing to an ethical public service.

These interventions are designed to enhance the skills and competencies of our staff, ensuring they are well-equipped to meet the demands of their roles and contribute effectively to the province's infrastructure development.



Currently, the Department of Public Works and Infrastructure has achieved the national target of 50/50 female representation at SMS level and total representation of **54% females and 46% males**.

In the filling of senior management and other critical funded vacancies we will be mindful of the plight of women in the filling thereof.

During the last week of August, we will celebrate and reflect on progress and compliance on the eight principle plan of action for women's empowerment and gender equality within the Public Service. At this juncture, it is key to mention that we have not sufficiently achieved objectives related to gender responsive budgeting.

We will continue with our endeavour to build a disability inclusive government. Currently **3.6% of staff** fall within this category. We intend however, to achieve a target of at least **5%** by the end of the 2025/2026 financial year.

A Disability Forum has been established in the Department to provide strategic direction in respect of reasonable accommodation, access to government buildings and adjustments to policies that will contribute to a representative society.

Public Works – Maintenance

Honourable Speaker, in the last financial year 2023/2024 the Department has successfully completed the renewable energy projects in the following government buildings:

- **OR Tambo House in Bloemfontein**



- **Solar upgrading at Hamilton Building in Bloemfontein**
- **Solar upgrading of our two Regional Office buildings in Kroonstad**

The Department further plans to complete 13 renewable energy projects (Domestic Properties and Offices) in the 2024/2025 financial year.

Energy Saving Projects

Energy saving projects are implemented to assist in the reduction of energy consumption to curb expenditure. The province will continue with the installation of Solar PV panels in the identified government buildings where the risk of theft is low. Ten (10) domestic properties as well as the QwaQwa Regional Water Pump project have been prioritized for the current financial year.

Water saving Project

Water saving Project is a flagship programme of the department and one of the outstanding achievements in the last financial years, aimed at saving water consumption for state owned buildings. The following buildings were identified as the highest water consumers:

- **National Hospital**
- **Psychiatric Complex,**
- **Universitas Academic Hospital**
- **Pelonomi Hospital**
- **J.S Moroka Hospital**



- **Botshabelo Hospital**
- **Bongani Hospital**

From the abovementioned buildings, the Department has realised a saving of **one hundred and ninety four million two hundred and six thousand rands (R194.206 million)** since the inception of the project to date. The department will expand the rollout of the project to other government buildings given the significance of the savings.

Condition Assessment

The Department will conduct **Twelve (12)** condition assessment on its buildings which are inclusive of an old age home, traffic offices, fish hatchery and hospital laundry room will be condition assessed to inform maintenance requirements.

One of the main reasons why condition assessments are important is because they are a significant component of preventative maintenance. Instead of waiting for the asset or product to fail, the testing process should shed light on its current condition, whether through a visual inspection or another approach.

Honourable Members, over and above condition assessments, the Department is planning on refurbishing, renovating and upgrading 23 projects for the current financial year.

Among these are three new school hostels, one school, one children's home, two new clinics and office spaces for client departments.



Infrastructure Delivery

Honourable Speaker, the Sustainable Development Goal (SDG) number 9 on industries, innovations and infrastructure is a blueprint for building resilient infrastructure.

Therefore, under infrastructure delivery, in 2023/2024 financial year this department completed and handed over Tshireletsong Phase 1 to the Department of Social Development for utilisation while we attend to Phase II of the project.

We will make sure that Thusanong building is completed in this financial year and hand it over to the Department of Cooperative Governance and Traditional Affairs.

Thus far the Department completed two construction designs which are ready for tender in the 2024/2025 financial year.

Honourable Speaker, construction of healthcare facilities will go a long way in expanding access to health care services which are basic in our quest to build a better life for all.

For this financial year 2024/2025 the Department has planned to award the following capital infrastructure projects as part of our contribution to the District Development Model (DDM-One Plan):

- **Dinaane Clinic in Thaba Nchu has been awarded to a contractor.**
- **Vaal rock Clinic in Brandfort.**



- **Bophelong New Clinic in Kroonstad.**
- **Gariepdam New Clinic, department is busy with designs in-house.**
- **Ventersburg EMS which is in stage 2 (concept design).**

Honourable Speaker, I'm pleased to inform the house about the successful handover of DR Sello Primary School in Viljoenskroon to the Department of Education that was done on the 19th of July 2024. We are also working very hard to complete the following schools and clinics and hand them over to our client departments in this current financial year.

- **Katlego Mpumelelo Secondary School in Sasolburg (91%)**
- **Breda Farm School Hostel in Fouriesburg (80%)**
- **Leboneng Special School Hostel in Welkom (97%)**
- **Oranjekrag School Hostel in Gariepdam (92%)**
- **Fatherbalink School in Parys (72%)**
- **Rheederpark New Clinic in Welkom (80%)**
- **Thandanani New Clinic also in Welkom (78%)**
- **Tshireletsong Children's Home (Phase 2) in Bloemfontein (96%)**

The development of social infrastructure features prominently in our priorities. **Honourable Speaker;** through the implementation of these projects, the Department was able to respond to SDG goal number 8 on creating jobs and contribute towards the Free State economic growth.



This achievement showcased the Department's commitment towards empowerment of local community members.

Property Management

Honourable Speaker, 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 asset register currently has a total number of four thousand eight hundred and ninety 4 890 immovable assets to the value of twelve billion rands (R12 billion). The asset register is used as a driver for revenue enhancement through disposals and leasing out of properties.

In this respect, the Department will become a role player in the digital economy and provide opportunity for partnership and investment in the property portfolio. We have approached the Council for Scientific and Industrial Research (CSIR) to develop an infrastructure delivery and project management information system to be implemented during the upcoming MTEF period.

The Department will develop a comprehensive Revenue Enhancement Strategy that seeks to maximise returns on the use of government properties to generate income for the province.

In implementing this strategy, the Department has identified dilapidated buildings that are being refurbished for office accommodation use by client departments.



For the 2023/2024 financial year, the department was able to achieve one hundred and twenty one percent 121 % revenue collection.

We were able to collect an amount of ninety one million four hundred and three thousand rands (R91. 493 million) against the adjusted revenue target of seventy five million six hundred and fifty six million rands (R75. 656 million) from various sources including leases, parking and land sale arrangement with the Central University of Technology.

Partnerships on Land; Unused and Dilapidated Buildings

Honourable Members, as an infrastructure driver, the Department understands that in order to create sustainable revenue, the province needs to invest in its properties as most of them have aged.

As the Department we depend on funds allocated for maintenance, refurbishing and repurposing of buildings that are no longer in use or are not utilised efficiently.

Given the constraints on the fiscus and in line with the implementation of our Revenue Enhancement Strategy, the Department is engaging the private sector and other government stakeholders to join hands and participate in the generation of ideas and finding solutions for the use of these redundant assets.

Together with the Department of Health and the University of the Free State, we have identified an unused building in Pelonomi Hospital for upgrading. This building will be repurposed to provide suitable ancillary services for medical students.



The Department has identified facilities that could be used as student accommodation in partnership with the Central University of Technology (CUT).

These buildings were previously utilised to accommodate nurses from the Department of Health. These include MANCOFS building in Pelonomi Hospital in Bloemfontein and Kopano building previously known as the old Kopano nurses home in Welkom.

The Department is anticipated to initiate the process of refurbishing the nurses' home in Welkom during the 2023/2024 financial year, however due to funding shortfalls the project could not be implemented. Alternative funding and delivery models are therefore being considered.

Since 2019 a total of sixteen (16) properties have been repurposed for office accommodation and were provided to client departments for use.

Out of the sixteen (16) properties, one (1) property is used for revenue collection and four are undergoing refurbishment. This initiative has reduced expenditure on leasing of buildings from landlords.

In ensuring that dilapidated buildings are repurposed and used optimally the Department intends to adopt various models such as Build – Operate – Transfer (BOT) and Refurbish - Operate – Transfer (ROT) as a potential model given the limited resources at the disposal of government.



Honourable Speaker, the Department succeeded in terminating forty three (43) leases over the past five years which yielded to a saving to the value of fourteen million and nine hundred thousand rands (R14.9 million) towards payment of operating leases.

Furthermore, the Department continues to provide office accommodation for all client departments in the province. A total amount of three hundred and fourteen million three hundred and forty thousand rands (R314.340 million) has been paid for office accommodation to landlords at the end of March 2024.

The Department currently has fifty five (55) leases for office accommodation. As part of the goal to transform the property industry,

- **Thirty-nine (39) contracts are with Historically Disadvantaged Individuals (HDIs) which translates to 70.9%**
- **Five (5) contracts are with Government entities which translates to 9.1%;**
- **Eleven (11) contracts are still with Historically Privileged Individuals which translates to 20%.**

The Department has started the process of engaging with property industry stakeholders, this initiative will focus on various transformation aspects of the industry.

As part of the property transformation beneficiation process, the Department will focus on areas such as cleaning, security provision,



maintenance, health and safety services. Our people must benefit from millions that we spend on payment of leased buildings.

The Department intends to advertise twelve (12) office accommodation needs in various towns on behalf of client departments, this will eliminate potential penalties incurred from expired leases.

Honourable members, as part of empowering our communities in Thaba Nchu, the Department in collaboration with Manguang Metropolitan Municipality is in the process of rectifying approximately 800 title deeds which were erroneously registered.

As part of land distribution, significant progress has been made towards awarding approximately eight hundred and eighty (880) title deeds to the rightful beneficiaries in Heidedal extension 25 and 26 commonly known as Phase 6 in Bloemfontein.

Honourable Members, the Department has also identified land parcels in Phuthaditjhaba to be disposed-off through various disposal methods such as selling and donation, etc.

Municipal rates and taxes

Over the past five (5) financial years, the Department has spent 100% of its allocated budget towards payment of property rates and municipal services.

The original budget has always been supplemented and increased during the budget adjustment processes to ensure continued payment of



property rates and municipal services to municipalities and other Service Providers (Eskom, Water Boards and Landlords).

Honourable Speaker, the budget for property rates in the 2024/2025 financial year is sufficient to process payments for the current accounts.

The department intends to pay what is due to municipalities as this will assist our municipalities to be more viable and render services to our people, however, the budget for municipal services is inadequate to pay all municipalities.

The current allocation can only cover the first quarter of the financial year. We will continue to request additional funding through existing forums as well as consider alternative methods such as water savings and renewable energy in order to reduce costs to municipalities.

For the 2024/25 financial year:

- **A total of three hundred and forty nine million two hundred and twenty thousand rands (R349.220 million) is budgeted for municipal services**
- **Five hundred and eighty million six hundred thousand rands (R580.600 million) is budgeted for rates and taxes.**

There is a projected budget shortfall for both property rates and municipal services amounting to one hundred and forty eight million four hundred and seventeen thousand rands (R148.417 million) for property rates and one billion sixteen million rands (R1.016 billion) for municipal services that includes accruals.



Honourable Speaker, the Department is concerned about the increasing incidents of theft and vandalism of public infrastructure. We have improved security measures at the Free State House, OR Tambo House, Fidel Castro building as well as the MPL village by installing CCTV cameras; boom gates; scanners turnstiles, facial recognition system and video intercom system at the entrances. This programme will be extended to other buildings in the outer years of the financial cycle.

Expanded Public Works Programme

Honourable Members, Expanded Public Works Programme (EPWP) is a comprehensive inter-governmental, people-centered programme to create a 'better life for all'.

Over the past 20 years, the province invested in public resources towards reduction of poverty, unemployment, skills development while providing an income safety net to the unemployed.

Special focus was also provided to vulnerable groups such as ensuring participation of 60% women, 55% youth and 2% people living with disabilities.

In the 6th Administration, a total of two hundred and ninety three thousand two hundred and sixty five (293 265) work opportunities were created against a five-year target of two hundred and sixty two thousand (262 000) work opportunities across all spheres of government.



Honourable Speaker, the year 2024 marks the 20th anniversary since the establishment of EPWP as part of Public Employment Programme in 2004.

Coupled with this service the programme is now transitioning to phase five of implementation, with a five year target of creating 5 million work opportunities nationally by March 2029.

This commitment was publicly announced by His Excellency President Ramaphosa during the launch of EPWP phase five in the Eastern Cape earlier this year.

It was the clarion call for all civil servants to continue improving lives of ordinary citizens and especially the vulnerable groups away from poverty and inequality.

As the Free State province, we will contribute one hundred and seventy one thousand seven hundred and nine (171 709) work opportunities for five years.

This current financial year alone we are expected to create no less than thirty thousand one hundred and fifteen (30 115) work opportunities.

During the implementation of EPWP phase five, we will be guided by the clear objectives of the programme being:

“To provide the unemployed poor with meaningful work opportunities through the delivery of community assets and services, and actively build economic inclusion mechanisms that empower sustainable livelihoods and contribute to the country’s development agenda.”



In order to successfully achieve this mandate, the programme has set five priority areas of emphasis for all stakeholders implementing EPWP across the country namely;

- **Cleaning and Greening**
- **Renewable Energy programmes**
- **Maintenance of facilities**
- **Waste management**
- **Enterprise Development**

I must say **Honourable Speaker**, as the Department we have put plans in place towards implementation of the above focus areas especially maintenance of our facilities, Cleaning and Greening as well as Waste Management.

In the current financial year, we have set aside a total budget of thirty five million two hundred and forty nine thousand rands (R35.249 million) for the following programmes;

- **Cleaning and Greening**
- **Cash for Waste**
- **Community Work Programme**
- **National Youth Service Programme and**
- **Skills Development**

We further commit to create two thousand (2 000) work opportunities through the implementation of the above-mentioned programmes.



Honourable Speaker, according to the Department of Higher Education and Training, the country currently only produces fifteen thousand (15 000) artisans and falls short of the target of thirty thousand (30 000) artisans needed each year to tackle its growing workforce demand.

The Department of Public Works and Infrastructure intends to contribute to this call of developing artisans.

You will recall that currently the province has a huge maintenance backlog on social infrastructure resulting in the high rate of leasing from the private sector.

I am pleased to announce that, the Department will implement a massive skills revolution initiative in the form of Artisan Development Programme to contribute to reducing this maintenance backlog.

We will be rolling out a Youth Development Programme aimed at attracting 1 000 unemployed youth to be developed in the areas of Artisan trades, Horticulture and Landscaping, Hygiene and Cleaning and participation in Security services.

The first phase of this programme will commence in September 2024 which is just a few weeks away. Some of the projects we have identified



for piloting includes the refurbishment of Medfontein building in Bloemfontein.

Plans are also at an advanced stage with other departments such as Community Safety, Roads and Transport for the maintenance of Testing stations as well as the Department of Health for general maintenance of health facilities.

To ensure the quality of training in this programme is achieved, we are also forging partnerships with all TVET colleges within the province as Training providers. This will enhance existing intergovernmental relations within the Higher Education sector. We have already placed 85 bricklaying apprentices in some of our infrastructure projects as part of the experiential training programme.

We are mindful about maintaining quality of workmanship while we develop learners to become fully fledged artisans. The Department will also tap into employing qualified artisans which are mostly beyond the age of thirty five (35) years as part of supervision and quality control during construction and maintenance.

This strategy will also ensure that our programmes cater for all groups of vulnerable and unemployed people across the different age categories.



In conclusion Honourable Speaker, the work of the Department must continue to contribute to the realization of the historic task of former generations of women leaders, the likes of **Charlotte Maxeke, Lilian Ngoyi, Ruth First, Victoria Mxenge, Albertina Sisulu, Dorothy Nyembe, Dulcie September, Winnie Madikizela Mandela** to name a few.

We have to reaffirm our conviction to the vision of the Freedom Charter and our Constitution, which propels us to work harder and more urgently in service of our people.

Honourable Members, I would like to express my sincere gratitude to the Premier, Honourable Maqueen Letsoha-Mathae for affording me the opportunity to lead the Department of Public Works and Infrastructure. To my colleagues in the Executive Council, thank you for your invaluable advice and counsel.

I also wish to thank honourable Members of the Legislature, Members of the Portfolio Committee on Public Works, Infrastructure, Roads, Transport and Human Settlements for the useful oversight role that is keeping us on course.

To the Head of the Department, the officials and the entire workforce of the Department. Thank you for your support and unwavering commitment.

Lastly I would like to thank my organisation, the African National Congress, for putting its trust in me and the continued support from its rank and file, the South African Communist Party, an organisation that



has shaped my ideological orientation, and the ANC Women’s League for its role in advancing women emancipation.

I’ll forever be indebted by the love and support of my family, particularly my older brothers Kagisho and Karabo, my children, Khumo, Oreabetse and Kgauhelo – they remain my pillars of strength.



Honourable Speaker

I now table the budget for the Department of Public Works and Infrastructure, and accordingly request that this august house to approve the amount of R2.107 billion for the 2024/2025 financial year, which is allocated per programme as:

For MTEF PERIOD

BUDGET VOTE: DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE	
BUDGET ALLOCATION PER PROGRAMME	2024/25 (R'000)
ADMINISTRATION	175,004
PUBLIC WORKS INFRASTRUCTURE	1,875,521
EPWP	56,861
Grand Total	2,107,386

BUDGET ALLOCATION PER ECONOMIC CLASSIFICATION	2024/25 (R'000)
Compensation of Employees	513,894
Goods and Services	895,757
Transfer Payments	585,642
Payment for Capital Assets	112,093
Grand Total	2,107,386

I thank you

END.