

**GAUTENG DEPARTMENT OF INFRASTRUCTURE
DEVELOPMENT 2021/22 BUDGET VOTE SPEECH:
TABLED BY MEC TASNEEM MOTARA AT THE GAUTENG
PROVINCIAL LEGISLATURE ON 18 JUNE 2021**

Honourable Speaker and Deputy Speaker

Honourable Premier and Members of the Executive Council

Chief Whip of the Majority Party

Leaders of Political Parties represented in the Legislature

Honourable Members

MMCs and Councillors

Senior Officials of the Department led by the HOD

Distinguished Guests

Ladies and Gentlemen

Exactly a year ago the world and indeed life as we knew it, changed in ways we never imagined. Our normal way of life has since been disrupted. This, has also impacted on the delivery of services. It is, also 45 years since the youth of 1976 took to the streets in open defiance against an oppressive regime. The gains of that generation, cannot and should never go uncelebrated.

Honourable Speaker, a youth activist of 1976 is a pensioner today. This means he or she has grandchildren. We are now in service to change the status-quo and create a better life for their decedents.

The youth of today are facing a different set of challenges. We continue to encourage them to stand firm against economic and social injustices. That, they be unrelenting in their pursuit of equality, economic and security of their constitutional rights.

Honourable Members, the unexpected conditions of the COVID-19 pandemic has forced us to rethink and urgently review how we do things. While devastating, on the positive side, it has injected the urgency to speed up delivery of our health infrastructure.

As a result, we had to reimagine the best solutions to deliver services while ensuring that health and safety regulations are complied with. The pandemic also slowed down the rate of delivery on our non-COVID related infrastructure but we now in a recovery mode.

In his 2021 State of the Province Address delivered in February, Premier David Makhura outlined how the province is already leading in the implementation of the Economic Reconstruction and Recovery Plan announced by President Cyril Ramaphosa.

Honourable Speaker, the Premier's marching orders are clear, when he commented that infrastructure investment "unlock the transformation, modernisation and re- industrialisation of the different corridors and districts of our city region."

The new Growing Gauteng Together (GGT 2030) vision, elevates the economy, jobs and infrastructure as key priorities in line with the National Development Plan (NDP). Infrastructure development is enabling us to restore the past injustices and achieve economic and social transformation. Infrastructure delivery is a key driver to re-igniting the Gauteng economy. It is not an exaggeration to boldly state that infrastructure development is a source of hope and realization of the aspirations of millions of citizens in the province affected by spatial planning and exclusion.

The Department is committed to the provincial attainment of the creation of 100 000 jobs, bringing local suppliers into the construction, maintenance and property management value chains to enable greater participation of emerging

black enterprises. This, includes a programme to empower 50 emerging black firms, including women and youth.

The Department is now tasked with leading in the development of the 5-year Gauteng Provincial Government (GPG) Infrastructure Pipeline for the 2019-2024 period and the publication of the groundbreaking GPG Infrastructure Investment Book showcasing 1 086 projects with an anticipated investment value of R55.7 billion. The book is in the process of being published later this year and will be ready for launch at a date to be communicated soon.

We are the “Landlord” for state properties in the province and our plans to optimized our entire property portfolio to continue serving the development needs of the province as well as to generate inclusive economic growth. The functions of the Department are carried out through three main programmes; Administration, Public Works, Infrastructure and Expanded Public Works Programme (EPWP).

The Department is allocated a budget of R3 261 billion of which 79% which totals R2 573 billion is allocated to Public Works. Included, in this allocation is an amount of R171 3 million for infrastructure rehabilitation and maintenance of public properties.

A total of R446 3 million is allocated to Administration and R241 8 million will fund our Expanded Public Works Programme (EPWP). The Departmental seven cost drivers contributing to the delivery of its mandate constitutes approximately 93% of the budget allocation, leaving only 7% for the operating costs. The seven cost drivers include; rates & taxes, compensation of employees, property leases, infrastructure projects, EPWP, security services and soft services. The remaining budget is allocated to other operating costs which include provision of tools of trade, ICT systems, G-Cars and others.

An amount of R1 025 billion is allocated for payment of rates and taxes to the municipalities. A total of R407 million has been set aside for leases, R120 7

million for security services and utility payments budget is R50 million. During the next financial year the Department will invest R60 million to finalize the registration and conveyancing of properties and updating of the provincial asset register.

A total of R241 8 million is allocated towards poverty relief through our short term employment programme carried out through the National Youth Service (NYS) programme.

The impact of the the Covid-19 crisis on construction companies, in particular SMMEs, has been extremely drastic. The construction sector is vulnerable to economic circles, and the eruption of the pandemic, as stated, has affected our non-Covid19 construction programme. The increased health risks related to the pandemic resulted in the shutting down of all construction sites during the lock-down period. A number of construction companies, sub-contractors, general and contract workers, material suppliers were faced with harsh economic hardships. Many companies faced bankruptcies.

Equally, our Departmental construction programme was extremely affected. Some of our live construction sites, which were at various stages of completion, experienced shortages in building materials as factories were non-operational. Others, experienced supply delays, increasing costs of materials, cash-flow challenges, additional costs for security, safekeeping material and equipment on non-operational sites.

Data for the second quarter of 2020 from Stats SA showed the construction sector experienced a decline. Furthermore, the Quarterly Labour Force Survey reported that the construction sector shed 305 000 workers during second quarter.

The dire situation of 2020 compelled Mr Ronnie Siphika, the Chief Executive at the Construction Management Foundation, to make the following declaration “The construction sector is in ICU”.

Closer to home, one of our women contractors, Chuene Matlala, of Chuene Matlala Construction from Garankuwa in Tshwane describes the lock-down as the “worst period for emerging black construction companies”. She is building Rearabilwe Child Care Centre and her site was shut down for almost four months during the lock-down. With no income, cash-flow challenges and huge bills to pay, she was stuck in a mountain of debt. She finally returned to the site in July, 2020. At least she survived. Others did not.

Indeed, Madame Speaker, the the state of our sector over the past few months has not been easy. As a result, we had no option but to support some of these construction companies especially those who had cash-flow challenges resulting in none payment of sub-contractors. Some of our sites were turned into conflict zones. Our officials spent many hours resolving conflicts and enabling most sites to resume work successfully after the lock-down.

Furthermore, the lock-down coupled with existing challenges such as delays in approvals of compensation events, poor contractor performance, late payments, budget readjustments and community unrests - drastically impacted on our completion dates. Faced with these unprecedented challenges we had no option but to revise the 2020/21 annual performance plan to align with the revised budget adjustments. Despite these challenges the performance of many contractors started improving towards the end of the second quarter of the year due to the relaxation of the lockdown regulations.

As we speak, we are still not yet out of the woods. The Covid-19 regulations may have been relaxed but our construction sites are still facing many Covid-19 risks and remain vulnerable to the pandemic. We urge all our contractors to maintain stringent Occupation Health and Safety measures in order for our construction sites not to be turned into Covid-19 super spreaders.

Madame Speaker, despite all these challenges, it is not all doom and gloom. Most of our delayed projects are in different stages of completion and are now being handed-over once completion certificates are granted.

Madame Speaker, we are proud that when the Covid-19 pandemic struck, the Department also joined thousands of front line workers in expanding the health infrastructure. We contributed immensely in saving many lives. A total of 3 922 bed capacity has been planned and to date 3 280 beds have been completed and 2 572 have been handed over to the client .

We have completed 500 bed-spaces at the Chris Hani Baragwanath Academic Hospital. At Dr George Mukhari Academic Hospital in Tshwane, the first 150 bed-spaces were completed remaining 150 were added in April 2021. The Anglo Gold Ashanti Hospital, with a yield of over 180 beds, has been completed and handed-over to the Department of Health. Discussions for the donation of the Hospital to the province has already started.

In Jubilee Hospital we have delivered 300 bed-spaces and in Kopanong Hospital we are delivering 300 ICU bed capacity. The Department has also decommission the Nasrec Field Hospital.

Madame Speaker, what informs the new mandate and strategy of the Department are the six priorities focused on the following key programmes: Optimised Public-Owned Fixed Property Portfolio, Efficient and Effective Delivery of Smart Infrastructure, Functional, Reliable and Compliance Infrastructure, Increased Contribution of Infrastructure Spend to Socio-Economic Development, Poverty Relief and Improved Employability of EPWP participants, Capable, Ethical and Developmental Organisation

Let me now provide a snapshot of our priorities:

Outcome 1: Optimised Public-Owned Fixed Property Portfolio:

The development of a Provincial Property Optimisation Strategy has been long-overdue. We are pleased to report that the strategy will now become a reality. We have started a process to engage external support to assisting in crafting clear outcomes on the optimisation of GPG's fixed property portfolio before the end of the second quarter.

The revised political mandate at the start of the term positions the Department as "The Landlord" of many of the public buildings in the province. Our custodianship role place a responsibility on us to ensure that all immovable assets in the Asset Register are complete, recorded accurately and disclosed in correct values. For the current financial year, a total of 7 030 properties has been verified and the Department plans to verify 8 279 immovable properties in the MTEF period.

This property portofolio represents an asset class with the potential for economic transformation. It is for that reason that we plan to realise a total of 19 properties for socio-economic purposes during this term of office. The Department will actively seek to develop partnerships and to contract with property development and management companies led by women, youth or People with Disabilities, thus contributing to the transformation of the property sector.

A total of 300 non-core properties are planned to be disposed in the 6th administration through public auctions. The Kopanong Precinct Project (KPP) is a major GPG office portfolio within the central corridor which consists of 17 existing buildings and one green field site which is the old location for the Bank of Lisbon.

The precinct is currently at the completion phase of procurement. Work for Phase A will commence during the fourth quarter while for Phase B in 2024. The Department is currently engaging stakeholders including Inner City Property Owners and the community.

Outcome 2: Efficient and Effective Delivery of Smart Infrastructure:

Under health infrastructure, the Department has a target of 23 projects for this term of the administration. Projects which are to be completed include: Phillip Moyo CHC in Etwatwa, Ekurhuleni, Boikhutson CDC, Fine Town Clinic, Greenspark Clinic, Kekana Stad Clinic, Sebokeng Zone 17 Clinic, Boitumelo Clinic, Johannesburg Forensic Pathology Laboratories, Mayibuye Clinic and Mohlakeng CHC.

Our project pipeline for education infrastructure consist of a total of 85 projects to be delivered during the current administration. These projects comprise of new schools, schools for learners with special needs, upgrades and additions, renovations and rehabilitations.

Klipspruit West Secondary School, Abram Hlophe Primary School, Laerskool Kameelfontein are already completed. The following seven schools are in the final stages of completion: Philadelphia LSEN, Roseneath Primary School, Malvern Primary School, Krugerlaan LSEN School, Mamelodi East Prevocational School, Setlabocha Primary School, Mapenane Secondary School, Bafikile Primary School, Tlhokomelo Primary School, Hillcrest Primary School, Mogobeng Primary School, Braamfischer Primary School and Rustevaal Secondary School.

We are further pleased with our achievements in the delivery of new smart classrooms to reduce the school infrastructure backlog in the province. Despite difficult circumstances we managed to provide a constant supply of smart classrooms.

The Department has to date yielded 367 new smart classrooms which will accommodate about 12 500 learners (based on the provincial Average Learner Teacher Ratio of one Teacher to every 34 Learners in public schools). The smart classrooms available now may not be enough to address the school infrastructure backlog this year but will provide much needed relief.

The new smart classrooms have been added to new as well as existing schools. Some of the existing schools which received additional classrooms include old dilapidated schools with severe infrastructure challenges, old classrooms build from unsuitable material such as asbestos and schools with mobile classrooms.

The southern corridor will receive a total of 118 new smart schools in the following schools Savannah City Primary School (29 classrooms), Ramosukula Secondary School in Vanderbijlpark (30 classrooms), Setlabotjha Primary School in Everton (29 classrooms) and Rust ter Vaal Primary School in Vereeniging (30 classrooms).

The western corridor is the biggest beneficiary with 140 new smart classrooms in the following schools: Rietvallei Secondary School in Kagiso (30 classrooms), Itireleng LSEN School in Kagiso (26 classrooms), Simunye Secondary School in Westonaria (30 classrooms), Rotara LSEN School in Carltonville (26 classrooms) and Westonaria Primary School (28 classrooms).

The central corridor which includes high density townships such as the city of Johannesburg will receive a total of 92 new smart classrooms in the following schools Nancefield Primary School in Eldoradopark (28 classrooms), Mayibuye Primary School in Midrand (28 classrooms), Braamfischer Primary School in Soweto (28 classrooms) and Bafikile Primary School in Senoane, Soweto (8 classrooms).

The eastern corridor will receive a total of 17 new smart classrooms in the following schools: Abram Hlophe Secondary School in Katsieng (15 classrooms) and Filicitas LSEN School in Brakpan (2 classrooms).

The smart classrooms comply with the schools infrastructure minimum norms and standards and will go a long way in assisting the provincial schools to implementation technology solutions such a interactive smart boards, wifi connectivity, desktops and many others.

In addition to the smart classrooms the infrastructure improvements in these schools also included the construction of almost 50 Grade R classrooms. In some schools the infrastructure programme also adds additional facilities including science laboratories, school halls, nutrition centres, and new administration blocks.

Madame Speaker, this initiative is not just about adding more smart classroom - but it is part of a massive school infrastructure modernisation plan. This will see many ordinary public schools converted into smart schools and assist in eradicating inequality in education.

Under the STARS portfolio the Departmental five year target is to complete 36 projects. For the 2021/22 financial year, a total of six projects are targeted for completion.

Projects which will soon be handed over include Akasia, Boipatong, Rust ter Vaal and Impumelelo community libraries, Devon Early Childhood Development Centre, Garankuwa Childhood Youth Care Centre, Batubonke Early Childhood Development Centre and Bekkerdal Social Integrated Facility (SIF). Including three office OHS

compliance projects in the following state buildings: Thusanong, SA Perm and 175 Fox. We are finalizing planning for three rehabilitation centres in Soshanguve, Ratanda, Tembisa, Walter Sisulu CYCC, Khutsong Social Integrated Facility (SIF), Zuurbekom, Kocksoord and Mullerstuine Libraries.

Outcome 3: Functional, Reliable and Compliant Infrastructure:

Madame Speaker, we took a decision to use condition assessments as a management tool to ensure that our building are compliant. The condition assessment also enables us to implement a consistent maintenance programme. The Departmental comprehensive maintenance strategy and operating model is focused on ensuring 80% of maintenance work is preventive and 20% reactive.

It is for that reason that the Department has taken a decision to undertake condition-based assessments in 10 prioritised hospitals: Sebokeng, Kopanong, Edenvale, Tembisa, OR Tambo, Bheki Mlangeni, Dr George Mukhari, Jubilee, Weskoppies and Mamelodi Hospitals. Furthermore, 14 of the 32 GPG hospitals have been targeted for upgrades to improve their compliance with the OHS Act. The Department has also set the target for all 18 office accommodation facilities to be OHS compliant.

We are also finalising a revised, comprehensive maintenance strategy and operating model, which is focused on ensuring 80% of maintenance work is preventive and 20% reactive.

I wish to announce that we are working towards ensuring that new buildings are designed and constructed to achieve 4 star, Green Star SA Rating, in order to comply with the Gauteng Green Building policy. The policy sets guidelines to ensure that all GPG building, new and existing, are designed or retrofitted to be energy, water and waste efficient. We are planning to conduct Green Star audits on our buildings and register projects for auditing with the Green Building Council of South Africa.

Outcome 4: Increased Contribution of Infrastructure Spend to Socio-Economic Development:

We are steadfast in our commitment to continue support vulnerable groups especially Women, Youth, People with Disabilities and Military Veterans. To ensure sustainable opportunities provided to SMMEs across the construction and maintenance value chains we intend to empower 50 emerging black firms, including women (40%) and youth (30%).

The empowerment programme will entail the identification of work classes and CIDB grades to be enrolled and ring-fencing of projects for incubation with clear timelines and targets. For the next financial year, 20 emerging black firms are

targeted. We are moving with speed to ensure that our SMMEs are paid within 30 days in line with Treasury regulations.

Outcome 5: Poverty Relief and Improved Employability of EPWP participants:

We aim to recruit 1 million youths as participants in our public employment programmes in both the Expanded Public Works Programme (EPWP) and the Community Works Programme (CWP) by 2024. The emphasis is on the need for public employment programme participants to be linked with sustainable exit opportunities. The GGT2030 strategic intervention is for 250 000 young people to be placed in public works employment programmes, and that 80% of EPWP work opportunities must be allocated to participants that are unemployed youth.

The EPWP programme requires re-engineering in order to close existing gaps of co-ordination and reporting of jobs by municipalities and other sectors. The Department will be finalizing plans to support municipalities to intensify data and reporting systems to improve programme performance.

To date, 382 participants have successfully completed skills development programmes. In the 2021/22 financial year, the Department aims to recruit a total of 21 009 EPWP work opportunities for the infrastructure sector in Gauteng provincial departments. Furthermore, the Department planned to report a total of 55 039 work opportunities from municipalities.

The Department also plans to successfully complete training for 2 500 EPWP participants in skills development programmes in the five corridors of Gauteng. We have also committed to the development of 20 construction companies in the Contractor Incubation Programme (CIP)

Outcome 6: Capable, Ethical and Developmental Organisation:

We encourage participation by all relevant stakeholders in improving the audit outcomes, governance and accountability. The Department managed to get unqualified audit outcome for the previous financial year. Once more, we expect to receive another unqualified audit with a reduction in recurring findings.

The need to ensure that the Department is well be resourced in terms of human capital and tools of trade is of paramount importance. The need to continually recruit and appoint technical support staff and professionally registered engineers is a process that will assist the Department in ensuring efficiency in the implementation of project management.

A total number of 282 critical posts were advertised in the 2020/21 financial year as part of the Departmental HR Plan. A total of 15 senior managerial posts were filled. I am pleased to announce that part of the 15 posts, included the appointment of the Head of Department, Mr Thulani Mdadane, with effect from 1st January 2021. Our recruitment processes are already in full swing this financial year and we are planning to fill an additional 252 posts.

The focus of skills development needs to be on the Continued Professional Development (CPD) of our professionals, in order to increase the number of certified professionals and to support them to retain their accreditation.

Madame Speaker, one of our greatest threats to the completion of projects on time is related to project disruptions or the high-jacking of projects. Project stoppages based on site grievances by workers, sub-contractors are reasonable and deserve conflict resolution support. However, projects which are brought to a halt by self-interested individuals with no interest for community development are mainly opportunistic, reckless, irresponsible and criminal. We will also be improving our social facilitation with communities in partnership with other Gauteng government departments.

Furthermore, vandalism, break-ins and the theft of goods, in our public properties is a crime and perpetrators will also face the serious might of the law. We urge communities to be more vigilant and to report these crimes.

Delivering projects at the rate and scale at which we do requires detailed planning. The Department is in a quest to institutionalize the Infrastructure Delivery Management System (IDMS) for the continuous improvement of our business processes to ensure that project stage migration is seamless and compliant.

Good governance will always remain at the core of what we do. To date, the Attorney General War Room has been established and has proved to be effective in the resolution of ongoing matters and assist in achieving a clean audit with only a few matters. Eradication of corruption and fraud will also remain a priority as well as promotion of accountability and transparency in our operations especially towards client Departments. The HOD's bilaterals with his counterparts in client departments will greatly assist in closing many existing gaps.

I wish to thank Premier Makhura and my colleagues in the Executive Council, for your unconditional support. My sincere gratitude also goes to the Chairperson of the Portfolio Committee, Mr. Mpho Modise and Honourable Members for providing oversight in pursuit of the fulfilment of this critical mandate.

I also extend my appreciation to the newly appointed HoD, Thulani Mdadane, and officials of the Department and to you - our residents of Gauteng.

I Thank You