



GAUTENG PROVINCE

INFRASTRUCTURE DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

SPEECH

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT 2019/20 BUDGET VOTE SPEECH: TABLED BY MEC TASNEEM MOTARA AT THE GAUTENG LEGISLATURE ON 31 JULY 2019

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 HOD

Distinguished Guests

Ladies and Gentlemen

We gather here today, on the eve of Women's Month,
where we will spend the month of August celebrating,

honouring and revering the women who have made it possible for us to be here today. A solid foundation is a necessity for any sound and reliable structure and these women serve as that foundation upon which we are built. The only expectation from us is that we maintain and preserve that legacy for future generations.

We owe who we are to Mam' Winnie Madikizela Mandela, Mam' Albertina Sisulu, Rahima Moosa, Mary Moodley, Lilian Ngoyi and Mam' Sophie De Bruyn. Drawing strength from these women, who represented and experienced the struggles of many like them, we will be unapologetic about breaking boundaries as we take the lead in serving our communities and building a legacy for our children. Ours is a commitment to lead as humble servants of the people, taking this country and this province into a

smart, economically empowered and progressive future.

I am honoured to serve in the 6th Administration, driving the newly named Department of Infrastructure Development and Property Management into the future. With this said, let me begin by demonstrating how we envision the future. In support of the National Development Plan and under the strategic theme of the 6th Administration of the Gauteng Provincial Government: “Growing Gauteng Together - our Roadmap to 2030”, we define our vision as the **“Trusted Provider of integrated and smart public infrastructure and property management solutions, that transform the spatial landscape and improve the quality of life of the citizens of Gauteng”**.

Before breaking ground and sharing the building blocks of our vision, it is prudent to note that providing

smart public infrastructure of the future, requires that we not only celebrate the impact of the investment but that we also learn from failures of the recent past. With these lessons, we should ensure that we mitigate the risks of the failures ever happening again.

Together with the Departments of Health and Education, we have had to learn the hard way that delayed preventative maintenance can be catastrophic. We are committed to working in partnership with all Sector Departments, to focus on doing more condition based and predictive maintenance and budgeting for this accordingly. This is to ensure that our buildings and facilities are safe, compliant, structurally sound and provide uninterrupted services to our people, at all times.

Our work over the past few years has proven that investment in social infrastructure has enormous socio-economic impact. For example, investment in education infrastructure is a very important source of economic growth because it enhances the nation's stock of human capital.

The Department over the past five years has completed **132 planned** maintenance projects in health facilities, **200** Education infrastructure projects that include new schools, restorative repairs, conversion of normal classrooms into "smart" ones and fencing projects. **33** Health infrastructure projects including new NHI prototype clinics, restorations and refurbishments were completed. Another **38** projects were completed including Libraries, Sport Facilities, Early Childhood Development Centres (ECDs), Child and Youth Care

Centres (CYCCs), Heritage Monuments and Driver Learner Testing Centres (DLTCs).

Over the past 5 years, the Department has managed infrastructure projects with an investment value of R22.9 billion. The highest proportion of this investment at 87%, has gone to education and health infrastructure. The total investment has contributed to the creation of about 70 774 direct jobs and an estimated 50 271 indirect jobs.

Honourable Members, this is a huge investment and it is for this reason that we celebrate with our clients in Education, when it is reported that Gauteng has achieved the highest matric pass rate in the country. We celebrated with our partners in Health, when it was reported that Gauteng Health facilities and infrastructure, have performed better than other provinces in the health sector according to the

National Core Standards outcomes. We join in the cheering, clapping, and ululating as we celebrate the achievements of our sports stars, knowing that we provided facilities and infrastructure which allowed them to reach their full potential. Knowing that our libraries are contributing to generating knowledge and nurturing a love for the written word, is an achievement we should all celebrate.

Honourable Speaker, building and maintaining smart infrastructure is a process. This process requires that we follow specific steps to deliver on time, within cost and according to the required quality standards. This is how we will succeed in meeting the needs of Sector Departments. The Project Readiness Matrix (PRM), one of our flagship business tools, demonstrates, in fact, that there are **157** steps that need to be followed across the various phases of infrastructure planning and project delivery. These steps are an essential

part of creating enabling conditions for successful delivery.

Allow me Speaker, to take the house on a journey of what it takes to plan, build and deliver a world class, reliable, smart and sound facility, that can cater uninterruptedly to the needs of our citizens.

Before any sod turning can take place, we need to understand the key external and internal environmental factors, underpinning successful infrastructure delivery management. The South African Forum of Civil Engineering Contractors in April this year, raised concerns of a declining construction sector in South Africa due to a nominal decline in public infrastructure spend. They also quoted escalating costs due to work stoppages on sites caused by unlawful disruptions as an issue plaguing the sector. This is a concerning sentiment

from our partners and as government we are committed to turning this around to ensure sustained growth, in a sector that is so vital to economic development in the province.

As part of Gauteng's response to these concerns, Premier Makhura has committed R60 Billion over the next 5 years as an investment in infrastructure development. About 37% of this investment will be dedicated to social infrastructure, so that we practically contribute towards job creation, economic empowerment and ultimately transform the spatial landscape of this province.

Following the instruction from the Premier, the Department is leading the co-ordination of the Gauteng Provincial Government 5-Year Infrastructure Project Pipeline. This work will serve to stimulate the construction industry by putting concrete plans

together on how the investment will be realised. We would like to report that the work has commenced and we have received inputs from all departments in the province. We will be working to complete validation of project readiness, strategic alignment and socio-impact analysis of the identified infrastructure projects by end of August 2019.

The infrastructure project pipeline work will address the weakness of limited collaboration on long term infrastructure planning between the Department, sector departments and other implementing agents of infrastructure in the province. In partnership with all departments, we will be using the Infrastructure Delivery Management System and the Government Immovable Asset Management Act, as the legal prescripts to drive the delivery approach. We will also focus on co-operative governance to resolve any challenges that may arise.

Honourable Members, infrastructure projects, lend themselves naturally to the domain of collaborative networks because they are not feasible without the coordinated efforts of various stakeholders. We too, have noted with concern, the growing trend of unlawful disruptions on project sites. Presenting themselves as business forums, these disruptions seek to undermine the very sector they claim to represent – business. While we appreciate the real economic difficulties faced by South Africans, lawlessness is not the way to resolve them.

Therefore, there is a need for an immediate and focused cross-cluster government intervention, for stakeholder engagement that will be effective in eradicating unlawful disruptions to project delivery. We have agreed with our colleagues at Community Safety to focus on this activity, and where necessary,

follow the criminal procedure route to end this behaviour.

Now that the plans are in place and we have secured the necessary resources needed to execute this project, lets demonstrate what materials we will use to lay the foundation, to put up the pillars and the components, that will make up the facility.

Madame Speaker, the Department has been allocated a total budget of R3.46 billion for FY19/20. Rates and taxes remain the biggest cost driver consuming R1 billion or 30% of the total budget. The Department is a committed rate payer in the province with R 2.3 billion paid to municipalities over the past three years. In FY19/20 we have budgeted **R48 million** to pay for rates and taxes raised by municipalities in the **Western Corridor**, **R101 million** to those in the **Southern Corridor**, **R270 million** to

the **Eastern Corridor, R300 million** to the **Northern Corridor and R 335 million** to the **Central Corridor**.

Furthermore, EPWP is allocated R 292 million which is mainly for stipends, training and Personal Protective Equipment. Property Leases are allocated R380 million and will gradually be reducing over the next 5 years.

The Department's infrastructure projects are allocated a budget of R334 million. This budget will be used to ensure that all government owned buildings are well maintained, safe to occupy, comply with all required standards and offer uninterrupted services to our people.

In the current financial year, the Department will be managing the implementation of infrastructure

projects to the value of R4 billion for various Sector Departments.

As announced by the Premier in the SOPA, the following worst performing hospitals Mamelodi, Tembisa, Sebokeng, Tambo, Bheki Mlangeni and Jubilee will receive priority for refurbishment, restorative and repair work. These projects are now at an advanced planning stage and are ready to move to implementation, with work beginning this financial year.

New public infrastructure should no longer be responding to isolated needs but rather should be used as a catalyst for change and provide for integrated services. Just last week, I visited Mandisa Shiceka Clinic in Hammanskraal, where we have a project in progress, very close to completion. The location of the clinic was chosen as there are both

economic and social services located within a kilometre of each other. The facility adds to existing amenities such as Hammanskraal Skills Training and Trade Test Centre, Renbro Shopping Centre, the Post Office, an ECD Centre and Primary School next to each other, Tshwane Metropolitan Police Service, Hammanskraal Library and Hammanskraal Sports Complex. The area now has what may be deemed a development precinct.

Honourable Members, we will complete and handover 38 projects in this financial year and close to 200 for the rest of the MTEF. For FY19/20, seventeen (17) projects will be for education infrastructure, eleven (11) for health infrastructure, six (6) libraries, two (2) Early Childhood Development Centres (ECDs) and one (1) Child and Youth Care Centre (CYCC) and one (1) a Social Integrated Facility (SIF). We will continue to ensure that our infrastructure projects

contribute directly to the spatial transformation of the province.

The Department acknowledges that the cost of delivering infrastructure continues to increase overtime. We are committed to ensuring that every rand invested returns maximum value, by positioning government to become a price maker in the construction industry. We have been a price taker for too long.

Furthermore, the Green Agenda Programme is a key Flagship Programme for the Department. It is driven in the context of greening GPG infrastructure and is informed by the Gauteng Energy Security Strategy. The Department has experienced delays with the implementation of the PPP projects including Rooftop Solar PV and COGEN/TRIGEN Plant. We are currently in the process of reviewing the delivery

approach of the Green Agenda programmes and working with GIFA, to troubleshoot Solar PV delays caused by the new regulatory processes instituted by NERSA.

As the custodian of immovable assets under provincial government, we manage a portfolio comprising of 7 014 assets (land and facilities) valued at R43 billion. Included in this portfolio is 2 396 vacant undeveloped land parcels. In line with the rapid land release programme, the Department will continue its work to release underutilised land and buildings to support other socio-economic development initiatives in the province. Towards the end of 2018 we released land located in the Johannesburg CBD to UNISA, which will be developed into a regional learning resource centre. The Department has also released four (4) un-utilised buildings for repurposing into student

accommodation. More buildings will be released in this regard.

A portfolio of land parcels is currently being profiled with the view of being released to the market based on a long-term lease. This includes 30 decommissioned schools and other facilities. We will be issuing a request for proposals for redevelopment of these facilities in partnership with the private sector.

In the SOPA, Premier emphasised that EPWP and other public employment programmes will be directed to support poorer households, with emphasis on equipping them with skills that will assist their transition to better jobs and other income generating activities.

We are strengthening our capacity to effectively coordinate and oversee this program. With the

introduction of biometrics and other solutions, we now have a transparent and reliable source of reporting, so that we focus on the experience all participants should have.

As we strengthen the program, we have to ensure that the original tenets for which the program was designed is not lost. Developing patriotic citizens through providing opportunities for experiential training and work opportunities is what we need to achieve.

The Department through the Tshepo 1 million programme is in the process of identifying 10,000 maintenance work opportunities as part of the Installation, Repair & Maintenance (IRM) Programme.

Honourable Speaker, we are committed to the empowerment of emerging enterprises owned by the historically marginalised in our communities. In this

regard, I have already commenced engagements with various role players in the construction and built environment, starting with Totally Concrete African Construction Expo in May this year, and the Youth in Construction Summit in June.

Our obligation to pay service providers within 30 days remains critical to supporting emerging businesses. In this regards, the Department will be moving into e-Invoicing as provided by Treasury. This will provide the much-needed transparency and accountability in managing 30 day payments.

It is also an important priority for the Department to continue building an effective administration, with sound governance and operational excellence. Emerging trends in infrastructure for 2019, indicate from this year, that Government will start to take the lead in encouraging innovation in the infrastructure

sector and achieving operational efficiencies using big data, and analytics as a key enabler. The Department will continue to use Lutsinga Infrastructure House for data-driven decision making and effective communication to all stakeholders in our project delivery, maintenance and property management responsibilities. We want our delivery processes and enabled systems to be the windows of delivery transparency, to facilitate improved partnership.

The implementation of the Drone Construction Monitoring Programme has provided a valuable way to validate data integrity and demonstrates our commitment to future proofing service delivery in the age of 4IR. We are proud to announce that one of our officials, Mr. Moloisane Moloji is now the first licensed government drone pilot in the country. We are resolute in our contribution to creating jobs of the future in the Province.

As at the beginning of April 2019, the Department had a total of 93 registered built environments professionals. To supplement this capacity, is our Artisan and Tradesman Aid workforce of 1627, that are equipped to deal with day to day maintenance such as replacing light bulbs and broken windows. During the current financial year, the department will continue to strengthen its core technical capacity, by implementing a revised operating model for professional services within the Department, aimed at improving quality assurance. We will also strengthen capacity within the Department, in line with the decision to elevate the property management function.

In order to allow our professionals to excel, we will be injecting R5 million rand towards tools of trade in FY19/20, but noting that the actual needs may

surpass this allocation, considering the constrained fiscus.

We have created a high-performance environment using smart capabilities and the Department is now delivery focused. We have transformed our infrastructure planning and project management expertise, placing our province in the best position to accelerate delivery over the next five years.

The roof that will enshroud this magnificently built facility, Madame Speaker, is the manifesto of the African National Congress. This will be the lodestar we use to develop the Five Year Strategic Plan. Our vision is to be a **“Trusted Provider of integrated and smart public infrastructure and property management solutions, that transform the spatial landscape and improve the quality of life of the people of Gauteng.”**

As we transition into the 6th administration, the Department is strengthening its priority programmes including optimising the GPG property portfolio; driving facilities maintenance management for more functional, reliable and compliant infrastructure; accelerating delivery of smart public infrastructure; focusing on enhancing economic development and job creation; and continuing to build an effective administration with sound governance.

We will also have zero tolerance for fraud and corruption. The Department will conduct Fraud Detection Reviews in conjunction with Gauteng Forensic Services. This is a pro-active process to manage fraud risks, by identifying potentially ineffective controls that offer opportunities for fraudulent and corrupt activities to manifest. The Department has put a process in place to implement

recommendations on all Forensic Investigation reports, issued by Gauteng Forensic Services.

In closing Honourable Speaker, all the great work that we have been putting into ensuring that we deliver quality infrastructure, on time and within budget will be futile if the same assets are still targets for torching, vandalism, theft, looting and littering. Allow me then, to call on all residents of Gauteng to partner with us in ensuring that what we build today will last and benefit future generations.

We are committed to ensuring that we meet infrastructure needs, maintain existing infrastructure and develop buildings of the future, appreciating population growth in the Gauteng Province.

Lastly, we are grateful to the Premier for his leadership and guidance. To colleagues in the

Executive Council, for your unconditional support, sound advice and counsel, to the Chairperson of the Portfolio Committee, Mr. Mpho Modise and Honourable Members for paving the way for sharp oversight and partnership.

I also extend a word of appreciation to the HoD, Bethuel Netshiswinzhe and the outstanding officials of the Department for your commitment and co-operation and the people of Gauteng.

I thank you.

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