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MINI PLENARY SESSION – OLD ASSEMBLY CHAMBER

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*PROCEEDINGS OF MINI-PLENARY SESSION – OLD ASSEMBLY CHAMBER*

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Members of the mini-plenary session met in the Old Assembly Chamber at 14:02.

Ms L M Maseko, as Chairperson, took the Chair and requested members to observe a moment of silence for prayer or meditation.

**APPROPRIATION BILL**

Debate on Vote No 11-Public Works

Mr M L W FILTANE: Chair, on a point of order: I just wanted to say you look gorgeous this afternoon.

Ms L M MASEKO: Thank you very much, hon Filtane.

The MINISTER OF PUBLIC WORKS: The gorgeous hon Chairperson ...

[Laughter.] ... members of Cabinet who are here and MECs; the chair and members of the portfolio committee; hon Members of Parliament;

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let me also recognise in the gallery the presence of chairpersons and CEOs of public entities and professional councils; representatives of the Auditor-General's Office; members of the audit committee; the DG and senior management, and of course the Acting Head of the PMTE; HoDs of the provincial departments; representatives of Salga; labour and women's organisations; beneficiaries of Department of Public Works' school support; the bursaries and young professional training programmes' participants from the Expanded Public Works, EPW programme; the CEO of the National Sea Rescue Institute with whom we are partnering on the small harbours; members of my family particularly my wife ...

*IsiXhosa:*

... bakhona ke nooGcwanini phaya ...

*English:*

... ladies and gentlemen; the department's budget allocation over the medium-term is R23,7 billion. Approximately 87% which is R20,5 billion of this budget is earmarked for transfers as follows: R7,1 billion for EPWP incentives for the creation of job opportunities and income support. Deputy Minister, hon Cronin, will speak on this matter. A total of R700 million will be transferred to the departmental entities, CIDB, CBE and Agrema SA; R12,7 billion is for funding the operations of the, Property Management Trading

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Entity, PMTE. The actual PMTE budget over the MTEF is R63 billion, the balance by way of cost recoveries from the user departments. The remaining R3,2 billion from the Main Vote is for the department's own operations and priorities.

On the audit outcomes and performance, the Main Vote has achieved unqualified audit outcomes for the past three years. The PMTE, however, received an adverse opinion in 2016-17. With respect to the value of the PMTE assets, we have substantially assigned the correct values, but for an error in assigning the values to the individual buildings in a specific facility resulting in the exceptional material error, hence the adverse opinion by the Auditor-General. This error was agreed with the AG and has been remedied for the forthcoming 2017-18 audit.

If we look at the Department's MPAT scores - the government's Management Performance Assessment Tool for benchmarking good management performance and compliance - the scores have increased from 38% at the inception in 2012-13 to 66% last year. Our target is for 90 and 100% compliance by the end of the administration.

On the political environment, this Budget Vote debate takes place against the backdrop of new political leadership which is committed to, amongst others: Rooting out corruption and state capture;

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professionalising the organs of government to strengthen service delivery; generating investment and job creation; driving real economic transformation in the interest of all our people; and addressing the land question, unemployment, poverty and inequality. I want to assure this House that, as the Department of Public Works and the Property Management Trading Entity, these are also our priorities and we are taking action on all these fronts.

On the turnaround plan, in 2012 – you remember – I announced that the turnaround strategy would be based on two pillars: Zero tolerance of fraud and corruption, and improving the way we do business. On the PMTE, at the core of improving the way we do business, as public works, is ring-fencing and fully operationalising the PMTE to optimally manage the state's massive property portfolio over 93 000 buildings on some 29 000 land parcels under the custodianship of national Department of Public Works. The earlier work we did to verify and complete the immovable Asset Register provides the foundation and database upon which the business of the PMTE rests.

In 2016-17 fiscal year, the deemed cost of the immovable assets was disclosed as R139 billion. The plans for the PMTE also speak to the President's Sona commitment to drive new investment in the economy to provide growth and jobs. Examples include: the establishment of a

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specialised unit to analyse the PMTE portfolio to identify cost-savings and income generation. We have identified unutilised properties with a deemed value of R7,4 billion. These are for disposal and let or letting out. Appropriate properties will be advertised on an open tender culminating in a national property marketing and investment conference to be held within six months.

Over a year, I had commenced a process of engagement with the private property and the finance sectors to identify opportunities for investment in the property to our mutual advantage. These engagements are being revived. The Small Harbours and Coastal Properties programme – part of Operation Phakisa: the Oceans Economy – has already attracted expressions of interest to the value of R6,3 billion from the private sector and is generating almost R17 million in leases. Working with the coastal provincial and municipal governments to identify economic opportunities, this programme has the potential to contribute R6 billion annually to GDP and to create 12 000 jobs by 2020.

Priorities for the PMTE include: Working with the National Treasury's Office of the Chief Procurement Officer; we are finalising procurement processes which are both transparent and tailored for the specific needs of the PMTE. We are beefing up our joint negotiating team with the National Treasury to review all

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leases to ensure that government does not pay exorbitant prices above market rates. At the same time, we are moving away from reliance on leasing-in to utilising state-owned properties, starting with the Security Cluster.

We are also modernising the billing system so that the clients can see what they are paying for. Furthermore, to enhance value in the portfolio, it is necessary to properly maintain the state facilities on behalf of the frontline service delivery departments and to also enhance public access. In this respect, I should mention: the work of our Government Precinct Planning and Development aimed at developing one-stop government service centres for Sassa, Home Affairs, and Labour in the small towns; and the roll-out of the Green Building programme and energy and water savings.

The new infrastructure build and upgrades remain an important mandate of the PMTE. In the year under review, 85 infrastructure projects were completed. In the current year, we are implementing infrastructure and maintenance projects to the value of R3,2 billion including R885 million on police stations, R771 million on courts, and R657 million on correctional facilities.

On transformation, professionalising the PMTE is being done also with an eye to other government priorities of empowerment,

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transformation and job creation. Land and properties continue to be identified for land reform and social housing including student accommodation because in most of the universities – if you know the situation – only about 30% of those students can be accommodated in many of the campuses. Most of them are being exploited and we need to build hostels. In this regard, we have supplied Higher Education and Training with a list of possible buildings, and established joint task teams to expedite the matter, with a focus on emerging entrepreneurs and co-ops. A total of 3 500 hectares are to be released to human settlements, whilst some 22 000 hectares have been identified for restitution and land reform. The work of the PMTE will be guided by the recently-adopted Property Management Empowerment Policy to empower formerly-disadvantaged and designated groups.

Currently, 34% of the leases are sitting with the BEE landlords, representing 62% of the total value of R3,6 billion spent on leasing-in. Let me sound a note of caution to the tenderpreneurs. This is not an invitation to radical economic looting whereby a few politically-connected syndicates receive huge contracts and in return, providing minimal service. Rather, we are targeting emerging entrepreneurs who offer a real value proposition and tangible benefits to government.

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We will be holding a national meeting with the landlords on 31 May specifically to expedite the matter of the expired leases and signing long-term leases, including the so-called 9/11 leases, i.e. 9 years, 11 months. The meeting sends the message that government is now ready to do business with the property sector and bring certainty to the market based on the market-related pricing, improved value and service to government, and Broad-Based Black Economic Empowerment.

With regard to the Main Vote, the ring-fencing of the PMTE also provides the space for the Department of Public Works to refocus on its core mandate, which is to regulate and transform the Built Environment. Amongst others this includes: Strengthening the department's policy development capability. Hon Cronin will provide some detail. Suffice to say the department is clear about its tasks for this year, to review the existing Public Works White Papers in order to refresh and clarify the mandates, roles and responsibilities of the department and the entities.

In strengthening its intergovernmental co-ordination, the department is working with provinces to clarify aspects of the concurrent functions which need to be monitored and co-ordinated. We will work closely with the entities to provide policy leadership to the wider construction and property sectors, with: the Construction Industry

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Development Board, CIDB focusing on quality assurance and empowerment; Independent Development Trust, IDT to provide community facilitation and project management; Agrema SA to test and accredit nonstandard alternative infrastructure materials and processes; Council for the Built Environment, CBE to widen the skills pipeline in a way which better reflects the demographics of the country; as well as working with the sector charter councils to monitor and drive transformation.

The concurrent functions and entities will be receiving priority attention in the coming months. Already, we have taken action with regard to the Board of the IDT where there has been a failure to act on the recommendations of forensic reports which found clear evidence of corruption. The court dismissed with costs an attempt by a faction of the dismissed Board to prevent me from taking action.

[Applause.]

As part of the turnaround, we undertook to grow our own timber in relation to built environment skills, as well as to, ultimately, provide technical capacity to the public service and the built environment generally. In this respect, it gives me pleasure to announce that: 31 students who joined the school bursary scheme in 2014 have graduated with degrees in the built environment and are now enrolled in the internship programme within the department.

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Currently, together with CBE, we are supporting 262 Grade 12 students in maths and sciences in schools in disadvantaged communities. A total of 139 young professionals are participating in the department's Technical Candidacy programme, and a further 30 are participating in the Internal Audit Candidacy programme.

Furthermore, six Young professionals attained professional registration, whilst 120 Artisan trainees obtained the Trade Test Certificates. We are at an advanced stage towards establishing a Department of Public Works academy with 79 candidate professionals, and employing 12 mentors. PMTE is insisting on the mandatory skills development as a condition of infrastructure project and facilities management contracts. Internal bursaries have been awarded to 350 employees including PMTE officials registered for SA Property Owners Association, Sapoa. Thirty-five officials recently completed the course in the Property Management as well as the Certificate for Commercial Property Practitioners. So, that is what I am talking about when I say, we are improving the way we do business.

As regards zero tolerance to corruption, the second pillar of the turnaround strategy is zero tolerance of fraud and corruption. We will shortly be announcing jointly with the Special Investigating Unit, SIU some of the successful outcomes of the investigations we started some years ago. The details will follow but suffice to say

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that currently, the SIU is seeking to recover R1,2 billion as a result of the irregular and fraudulent transactions. Investigations into the cost of maintenance by the department's anti-corruption unit has uncovered over 16 000 suspicious payments to the value of R2 billion. We are calling for the extension of an existing proclamation to enable the SIU to investigate the matter.

We have previously reported progress on the Operation Bring Back for the return of state properties wrongly transferred or occupied. Some 1 300 of such properties were identified. These will be verified and regularised during 2018-19. As a result of the 54 cases reported by the whistle-blowers, some 14 eviction orders were obtained, and illegal transfers detected in Gauteng and KwaZulu-Natal where there is a criminal syndicate which was stealing vacant state land. I have also announced that all managers and officials who occupy positions of high risk will undergo lifestyle audits, starting with myself and the Deputy Minister.

Let me conclude by thanking the President for entrusting me with this important task, and much more, for reawakening hope and confidence in the future of our great country. Thank you very much.

[Applause.]

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Mnu H M Z MMEMEZI: Sihlalalo wele Ndlu, uMphathiswa weli sebe noSekela wakhe aBaphathiswa noSekela abakhoyo apha abakhoyo apha abaphathiswa bamaphondo, Malungu ohloniphekileyo ale Palamente, amagosa aphezulu akhokelwe yingqonyele yesebe, zindwalutho neendwendwe zethu apho egalari, bantu bakuthi kumagumbi onke eli lizwe, siyanamkela bantu bakuthi kumagumbi onke eli lizwe, siyanamkela futhi sinibulisa nonke bahlali apho emakhaya. Zisuka nje, masilitsolise elithi le Voti ye-11 yoluHlahlo-lwabiwo-mali lwalo nyaka-mali wama-2018-19 siyalwamkela futhi siluphumelelisa thina bakaKhongo|ose kuba le mali iya ebantwini abasokolayo.

*English:*

It is in line with the ANC manifesto; ANC conferences resolutions, the Ready to Govern document, the Freedom Charter etc.

*IsiXhosa:*

Ndingekahambeli kude kakhulu, makhe ndichazele isizwe ukuba mna ndiyazalwa apha kwa-ANC, ndinezinyanya ezininzi kakhulu. Ngako oko, namhlanje ndidlulisa le ntetho yohlahlo-lwabiwo-mali egameni lala magorha ethu alandelayo, uTata uRolihlaha uMthemb'omde into kaMandela, umhlobo wakhe nedelakufa lakhe ingangalala uMachi, uvezi, uMbusi, usidumza sentsing'emdaka, uTata O R Tambo; negqiyazana intombi eyakhulela emzabalazweni de yalishiya eli isekuwo, isoloko

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iyikhombile ukuba isiginali ikweliphi icala, ilapho yena afele khona ekhaya kwi-ANC; buyani madoda; ilaph' ekhaya lesiginali niyifunayo. Apha ndishukumisa amathambo kaMangutyana, intombi kaColumbus eMbongweni eMbizana. Kanti, andikagqibi ndingeka saluti kwisikhukukazi umafunga angajiki, uMama Albertina Sisulu.

Abangenazo ezabo izinyanya mabayeke ezethu, ngeke babophe uMandela iminyaka emingaka bemnyevulela bemthuka, ngoku bajike bamenze owabo, hayi andivumi, ayikhali kanjalo, niyasitsotsa ngoku. Ezeno izinyanya ziyaziwa musan'ukuzibaleka ngoHertzog, ooVerwoerd, ooJan Van Riebeck, ooPaul Kruger, ooMagnas Malan nabanye.

Ipotifoliyo komiti yeSebe Loluntu ibonisene yaxoxa nzulu ngomsebenzi wayo wokwelusa ukusetyenziswa kwale mali ngokwemigaqo nongomyalelo woMgaqo-siseko nemithetho ebhekene nelisebe namaqumru alo. ISebe Loluntu ngumavula kuvaliwe wesebe, lilo elenza amasebe karhulumente akwazi ukusebenza, esebenzala uluntu. Izakhiwo ezihlalisa zisebenzele amasebe ohlukeneyo karhulumente zakhiwa kwaleli sebe okanye zakhiwe zinkontraka eziqeshwe kwa lelisebe. Nditsho mna nale Palamente sikuyo yeyeSebe Loluntu. Ingxaki nengxingongo eli sebe elibhekene nazo siyile komiti asizi kuzifaka phantsi kwetafile, sizithe pahaha kwingxelo yekomiti yethu futhi asaphelela apho, senze izindululo nezisombululo emazilandelwe kwingxelo yethu zicacisiwe zonke ukubonisa isebe, uMphathiswa namagosa akhe.

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*English:*

The Portfolio Committee on Public Works has oversight responsibility over the Ministry of Public Works as policy leader, and the entities that report to the Minister, namely the Independent Development Trust, IDT, the Construction Industry Development Board, CIDB, Agrément South Africa, Asa, and the Council for the Built Environment, CBE. At the meeting held on 17 and 24 April 2018, the portfolio committee met with the Minister, Deputy Minister and the senior management teams and boards of entities on the Annual Performance Plans, APPs and budgets for the 2018-19 financial year.

More specifically, the committee interrogated the financial and other resource allocations to programmes that had to be used to implement policy priorities that are stated in the National Development Plan, NDP, the Medium-Term Strategic Framework, MTSF, and the 2018 state of the nation address.

The mandate of the Department of Public Works is derived from the Constitution of the Republic of South Africa, Act 108 of 1996, and the Government's Immovable Asset Management Act No. 19 of 2007 that describes the department as the custodian and portfolio manager of government's immovable assets. The oversight role of the committee is very important. At times, Ministers come and go, the committee stays constant. It keeps a check on the policy direction, the

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financial transparency, accounting, reporting and practical implementation of Public Works policy. The Performance Management Act, PFMA, describes the Minister of Public Works as the executive authority who has an important financial officer responsibility. The Director-General, DG, as the accounting officer must give monthly financial reports to the Minister. This is the way in which the Minister does oversight over possible overspending, shortfalls, or under collection from the Director-General, as accounting officer of the department.

The Director-General as accounting officer and his team, execute the legal mandate assigned to the department, follow the policy direction of the Minister and execute it following his directives. The PFMA adopts an approach that focuses on the work of the department on outputs and responsibilities. Under the technical guidance of the National Treasury, it guides the DG and his team to ensure the basics of financial accounting such as proper financial management systems, appropriation control, and accountability is in place. If these systems are in place, they will produce monthly reports to the Minister. They will also produce quarterly reports to the Treasury.

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These quarterly updates must be regularly presented to the portfolio committee so that the challenges, solutions, and projects along which the department improves its business, is well known.

In 2012, the Minister of Public Works announced a turnaround plan to strengthen weak financial management systems, weak control systems and weak accountability inside the department. Because of these weaknesses for several years in a row, the department received negative opinion on its financial statement from the Auditor-General

The Minister announced the turnaround plan with a firm focus on fighting corruption, making the Department of Public Works a more functional landlord of the state, and improving the business of state property management and investment. The turnaround plan brought into the department a new attitude, zero tolerance for corruption. It improved doing business inside the Department of Public Works. The turnaround plan separated the key functions of Public Works into regulation and policy making inside the Department of Public Works, separate from the actual business of property management, leasing, and property maintenance and property investment inside the Property Management Trading Entity that was a government component inside the department. The Property Management Trading Entity manages the Immovable Asset Register and uses government's property portfolio to add and maintain value.

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The Minister was very clear about this. He said to this committee that his directive to the PMTE is that government properties must be maintained. His words were, "an asset not utilised is not an asset, it becomes a liability." The PMTE follows this directive and works to ensure that all government properties are identified and properly added to the Immovable Asset Register. The Government Immovable Asset Management Act guides how the Department of Public Works's PMTE, in collaboration with client departments, have dual responsibilities to develop custodian and User Asset Management Plans that must be in place, to regularly maintain and keep its value intact.

Since the current Minister's reappointment as policy leader, he has remained securely focused to drive the property portfolio and ensure steps are put in place to rectify problems that were identified. If truth be told, the problems faced by Public Works and all our departments, are not of our own making. These are resulting from the apartheid, a system that was declared by the United Nations a crime against humanity and was engineered and benefited almost all those who are today making the loudest noise about failures of our government. They conveniently and opportunistically forget that there was more than 350 years of colonialisation, exclusion, oppression and marginalisation of the majority by a tiny minority

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which didn't only mess up our country but even stole our God-given precious mineral resources and our forefathers' land.

These visitors became owners, the real owners became servants and outcasts, and those who refused were arrested, jailed, others were just made to disappear till today, and my uncles, 30 of them were hanged in Pretoria Maximum Prison after the Pondoland's Peasants revolts of 1960. These visitors are not only fooling some of our children but even some among us, the weak grown up brothers and sisters who now dance with them and believe that our forefather's oppressors will one day become our liberators.

*IsiXhosa:*

uNotshe, inkom'ingazal'umntu, ndifungamaNgcwangule ephelele,  
oTita, oPhelwana, unakwatye, soze yenzeka lonto.

*English:*

Be that as it may be, the Minister has shown a serious commitment to deal with the alarming challenges that this committee referred to in its 2018-19 Budget Review and Recommendation Report. We speak here among others, about the very serious mistake of Programme 4 of the Department of Public Work having missed the Strategic Task of reviewing the Public Works White Papers. This task was very important in this policy period from 2014 to 2019. That review had

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to result in two pieces of legislation. Firstly, the Department of Public Works would have had a properly defined mandate as landlord of the state; secondly, the transformation of the construction and built environment that is the ambit of the council for the Built Environment, CBE, and the Construction Industry Development Board, would have been improved with the amendment of the relevant pieces of legislation.

This would have resulted in accelerated empowerment programmes for emerging young, black, female, male contractors that are daily exploited as subcontractors. It would also have assisted with the process of dealing with a largely untransformed construction and built environment industry. A regulated transformation environment requires structured process through which built environment professionals, such as architects, engineers, quantity surveyors, town planners, project managers, and designers become professionally registered.

The high number of vacant positions in the PMTE and CIDB is alarming. The head of the PMTE was removed months ago and a suitable new leader has still not been appointed. If properly qualified professional property specialists are not appointed in the PMTE, the properties are not going to be managed and maintained. But, beside the above, we are also very pleased that the Minister and his team

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has started fixing things since his recent reappointment.  
Congratulations once more comrade Minister.

The committee is again very happy at the creation of the Operationalisation and Financial Sustainability Programme in the PMTE. We recognise this as a step in the right direction. We are convinced that from this foundation, the appointment of key property professionals can start. The committee was impressed with the Minister and Deputy Minister's commitment to place a focus on consequence management as part of the work of the governance risks and compliance branch.

The committee salute the Minister's Operation Bring Back, as a very critical intervention for the recovery of all illegally transferred and illegally occupied properties of the state which has yielded good results.

*IsiXhosa:*

Ikomiti izonwabele kakhulu izicwangciso zeSebe le Public works ...

*English:*

... in particular for the state coastal line property Development unit with 14 projects being Eastern Cape focus from 70 projects nationally ...

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*IsiXhosa:*

... namalungiselelo okwakha nokuvuselela amazibuko [small harbours developments] ezitimela nezikhephe zolwandle kunxweme lwaKwazulu-Natala, eNorthern Cape, naseMpuma Koloni ngakumbi, iprojekthi yasePort Grosvenor eLusikisiki, eyasePort st Johns, eMnyameni eMbizana; naseCoffee Bay ...

*English:*

... and hole in the Wall plus eMapuzi small craft harbours facilities and Gonubie beach developments in East London.

*IsiXhosa:*

Olu lolona nxweme olude kakhulu olungena nkqubela-phambili yamazibuko enqanawa nezikhephe phaya Mthamvuna.

*English:*

... to Great Kei river mouths. Thank you very much; the portfolio committee supports the Budget Vote. [Applause.]

Dr M J FIGG: Hon Chairperson, the purpose of vote 11, Public Works is to provide policy formulation for coordination, regulation and oversight of the public works sector in relation to accommodation, housing, land and infrastructure needs of national departments;

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enhancing intergovernmental relations, leading and directing the implementation of the Expanded Public Works Programme, promoting growth, job creation, transformation in the construction and property industries.

Let us see how the ANC has performed in this regard. The department is the custodian and portfolio manager of government's immovable assets the Property Management Trading Entity is responsible for the planning, acquiring, managing and disposing of immovable assets in the departments custody. Clearly they are doing a poor job at that. The department has revealed that it holds a staggering portfolio of land and property holdings worth over R12 billion that are lying idle and unutilised. While this land and properties are not used, rates and taxes paid on these holdings - which comprise 1,9 million hectares and over 12 000 properties has amounted to R138 million since 2014. This is in addition to R9 million that has been spent in the same period maintaining these properties.

In their 2017 Infrastructure Report Card for South Africa, the South African Institute for Civil Engineers has awarded South Africa an overall grade of D+ where a D illustrates; at risk or failure.

As a real estate management service provider the Property Management Trading Entity, PMTE, is failing dismally partly because of the lack

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of the required skilled personnel. The PMTE has a total of 6 861 posts on its establishment but 2 938 or 42% are vacant. This high vacancy rate hampers service delivery.

The PMTE is responsible for recovering accommodation costs from client departments through itemised billing but the challenge is that the immovable asset register is incomplete and captured on excel. Accommodation charges were calculated but these were not implemented as the charges proved to be unaffordable by client departments resulting in the Department of Public Works, DPW, carrying the burden. For example, an office building calculated at a recovery rate and should have been charged R26 per square meter - already way below market average of R85 per square meter - were only charged R4,74 per square meter. The finance Ministry's call to reign in government's expenditure continues to ring hollow in the face of an ever increasing multimillion housing budget to accommodate the ANC's bloated Cabinet. The department has revealed that over R400 million has been spent on acquiring new ministerial properties, maintenance and upgrades between the 2014 to 2017 financial years.

While South Africans struggle to get access to decent housing and university education, the R236 million spent on acquiring 39 ministerial houses could have been better used to build 1 967 Reconstruction and Development Programme, RDP, houses or send 2 950

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students to university this year. The ANC has repeatedly failed to take action on the DA's calls for concrete steps to reign in reckless spending on ministerial residences. The DA finds it unacceptable that the ANC government chooses to prioritise ministerial comfort over the welfare of ordinary South Africans who are struggling to make ends meet in an underperforming economy. This unrestrained spending is an insult to the poor who continue to bear the burden of unemployment, poor service delivery and rising inequality.

Under the Expanded Public Works Programme, the reported work opportunities created was 445 598 against a target of 650 000 in quarter two and 676 815 against a target of 950 000 in quarter three of 2017/18, that is 477 587 below target. We have a problem because the most commonly used performance indicator is a work opportunity. The problem with using the aforementioned indicator is that it measures work created for an individual on an EPWP project for any period of time. So, it could be creating work for an individual for one day. A more realistic indicator would be the full time equivalent. This measures one-person-year of employment which is equivalent to 230 person days of work.

In its current form, the EPWP is ineffective and the DA will ensure that the programme is enhanced so that more work opportunities are

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created of longer duration and that will be more sustainable. The Auditor-General however noted that the reported achievements were not supported by the appropriate evidence. The Auditor-General further noted clear cases of corruption where reported beneficiaries were in some cases deceased, the identity numbers of some beneficiaries were found to be invalid and some beneficiaries were included on multiple projects when they worked on only one project. This poor financial mismanagement has probably been the reason for the baseline cuts contained in the 2018 budget for the Expanded Public Works Programme totalling R116,5 million. This cut will have an adverse effect on job creation.

Government's claim of a new dawn defined by restraint in spending continue to unravel with each passing day after the department admitted to spending thousands of rands on cosmetic changes on the parliamentary precinct for the 2018 state of the nation address. The DPW revealed that it spent over R175 000 dismantling and re-erecting the scaffolding on Marks Building for security, safety and aesthetics purposes. This latest revelation is yet more evidence that the culture of wasteful expenditure that had taken root during Sona under former President Zuma, continues to test unhindered.

It is unacceptable that money that could have been better spent improving the livelihoods of ordinary South Africans is constantly

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being diverted to pander to the cosmetic and aesthetic needs of the powerful. As long as you, on my right, have an exaggerated view of your importance the people of South Africa will continue to suffer. The DA will do things differently to bring total change that creates one South Africa for all, a South Africa of hope focused on building a better future for all underpinned by our values of freedom, fairness and opportunity. The DA does not support budget vote 11.

Mr N PAULSEN: Chairperson, the Economic Freedom Fighters rejects budget vote 11 for the Department of Public Works. Not long ago, Chairperson, we had the same Minister telling us that a swimming pool is a fire pool, so I wonder if a leopard can change its spots. I know the two of them; hon Cronin and the Minister enjoyed the mercedes-benz quite strange for two communists. You must buy bakkies. The EFF has always maintained that the state should have internal capacity to build and maintain roads, railways, dams, government buildings and basic services such as schools, hospitals and sewage systems. Our position is informed by examples in other countries both developed and developing and also by cardinal pillar number three of the Economic Freedom Fighters.

By having internal capacity, the department will play an important role in sustainable economic development, job creation, the abolishment of corruption - which is linked to the tendering system

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- and the creation of an efficient public infrastructure system for both citizens and for the purpose of economic development. The government claims at the current system of outsourcing public works construction and maintenance is more efficient and cost-effective but the opposite is true as you have just to look at the state of the infrastructure in this country and how corrupt this department is. We are having these department officials who have construction companies and they award themselves construction tenders. The current approach to construction and infrastructure maintenance openly encourages corruption.

This department cannot even maintain parliamentary villages. You have to wait forever for them to come and fix anything. It is a useless department and I think it starts at the top. At the same time you have EPWP which government has corrupted by paying thousands of nonexistent and often desist EPWP workers. More alarming is that this ANC government uses EPWP to employ and recruit ANC members and on top of this you have government using EPWP and it's setup to casualise and exploit workers who in fact do fulltime jobs and paying them peanuts. This is what this department thinks of the people of this country. If we want to end this exploitation of our people and the inherently corrupt tendering system building tender capacity but most important, get rid of this ANC. We must

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establish state-owned construction, cement and housing companies and roads construction companies.

These companies would build, oversee the construction of roads, quality houses - not RDPs that even the DA wants to give to our people - dams, railway lines, toilets, schools, hospitals, government offices and also maintain them. This would also allow the state to employ young South Africans, develop their skills and give them the experience and opportunities which will lead to more black and female engineers, plumbers, electricians and various other professionals that would be needed. However, this ANC government lack the political will to do so. We as the EFF have envisaged something completely different and something that will benefit all South Africans but will not just benefit those people who run this department. We therefore, reject this budget vote. Thank you, Chairperson. [Applause.]

Mr K P SITHOLE: Hon House Chairperson, 2 745 is the number of properties vested in the Department of Public Works according to the records obtained from the Department of Rural Development and Land Reform do not appear anywhere in the department's immovable assets register.

*IsiZulu:*

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Izinto azikajiki.

*English:*

2 451 is the number properties that are identified on the department's property management system, but that are no longer part of the department's portfolio but that the department continues to pay rates and taxes upon, accounting ... dololo. 1299 is the number of properties currently controlled by the department that are illegally occupied which include large tracts of vacant land that is currently being occupied by landless informal settlement dwellers, accounting ... dololo. 99 is the lease year period for existing leases on some state-owned wine farms. Seven is the number of years since this department planned its turnaround strategy.

*IsiZulu:*

Kodwa akukho mehluko ekugcwaliseni izikhala zomsebenzi.

*English:*

R1 is the sum being paid by some lessees to the state in respect of 99-year tenancy leases. The very evident truth though is that this department continues to show a lack of strategy and planning and ... [Inaudible.] meets the targets that it sets itself. Cadre deployment remains high which comes at the expense of a skilled and competent workforce. This is also evident in departmental programmes such as

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the Expanded Public Works Programme, EPWP, and Community Work Programme, CWP, which in many areas are nothing more than jobs for card-carrying members of the ruling party forming a part of its membership drive. Underspensing on budget is high and there remains great instability in respect of departmental leadership. It fails to collect revenue due from sister departments and vacancies remain unfilled which together make up the primary reasons as to why this department cannot fulfil its mandate. Disclaimers abound with Property Management Trading Entity, PMTE and Independent Development Trust which has received a disclaimer for the past three consecutive years. The inner-city regeneration programme remains unreported upon and there is no departmental cohesion between the three spheres of government.

*IsiZulu:*

Into embi kulo mnyango emva kokushintshwa koNgqongqoshe owaye enguMongameli kwabuya izikhulu eziphezulu ezazinukeka enkohlakalweni kwase kuba yizo futhi ezithatha izikhundla eziphezulu. Asazi noma iyona dlela yokubonga inkohlakalo kulo mnyango.

*English:*

The IFP does support this department. I thank you. [Applause.]

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Prof N M KHUBISA: Hon Chairperson, hon members, the Department of Public Works is inter alia responsible for erecting new schools through the Accelerated School Infrastructure Delivery Initiative, ASIDI programme. This is a huge challenge as many of our schools have no laboratories, libraries, classrooms and toilets. The recent death of learners that fell into pit toilets is a matter of grave concern. So we are saying this department in that regard working with other departments must ensure that this does not happen again.

*IsiZulu:*

Uhlelo lolu lwe-EPWP laqala liwuhlelo okwangathi liza nethemba, luzoletha imisebenzi kubantu bakithi kodwa ukugxhambukela kwepolitiki kulolu hlelo yikho okudala ukuxoveka kwalo. Kubalulekile futhi ukuqhubeka nokuba ... ukuthi laba bantu basiwe ezikhungweni zemfundo zamakhono baqeqeshwe ukuze uma sebengekho kulolu hlelo kodwa baba nezitifiketi ezizobasiza ukuthola amathuba emisebenzi noma bathuthukise imfundo yabo kwamanye amazinga aphasakeme kunokuba basebenze nje begcine bengabanga yilutho. Sikholwe ukuthi lezi zitifikethi zingakwazi ukubasiza ukuthi babe wutho kusasa ngoba indaba enkulu ukuthi abantu bakithi begcine impilo yabo ingcono kunale ebekuyiyona. Yilowo mzabalazo ekufanele ngabe ukhona kusukela ku-1994 kube yimanje ukuthi kufukulwe izimpilo zabantu.

*English:*

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The Department of Public Works received a budget allocation of R7,4 billion for the year 2018-19 which is an increase of 6,7% and in nominal terms this is 1,1% and in real terms it is an appropriation of R6,9 billion. Our concerns, as the NFP over the previous years, have been about the use of consultants. We see now that there is a reduction of R6,7 million but we say, this is not enough. The department must be able to develop and empower its own pool of skills that is within the department itself.

In the previous years especially in public works regional departments there were allegedly reports of widespread fraud and corruption with regard to the issue of procurement services, supply chain management, government compliance and other matters. It is now hoped that Minister you will attend to that because the government fiscus is being utilised for other purposes other than those uplifting the lives of the people. There are also stories of officials that allegedly collude with buyers and developers of property and they share the spoils of profit and this should be a thing of the past. These officials continue to collude in the leasing of land as well, this must stop. We have a lot of government buildings that are decaying in towns and cities and these buildings can be revamped and used for student accommodation and we want to see how this department will combat fraud and corruption by 80% as reported in your priorities. We look forward to the day when the

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whole question of maintaining a proper and correct asset register will not be worrying us again as it worries us now. And the corruption on tenders is also worrying. Our youth are used as so-called directors when they are not, in other words, big companies front with them. Having said these things, I know there is a lot that would have been said if it were not for the shortage of time. We support this Budget.

The DEPUTY MINISTER OF PUBLIC WORKS: Chairperson, Minister, other Ministers present, Deputy Ministers present, the Chairperson of the portfolio committee, hon members of the portfolio committee, other hon members present, and the colleagues in general from the public works family, ranging from the ECWP participants through to the Head of the Property Management Trading Entity, there is an old Chinese proverb, ...

Mr N PAULSEN: Chairperson, on a point of order: Is it parliamentary for the member over there to take photos in the House? It is the one with the "Bieber" on the head. She was taking photos.

[Interjections.]

An HONOURABLE MEMBER: I am not taking photos, Chair.

Mr N PAULSEN: She was. She lies also.

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An HONOURABLE MEMBER: I am not taking photos, Chair.

Mr N PAULSEN: Anymore.

The HOUSE CHAIRPERSON (Mr B L MASHILE): She says that she is not taking photos. We will take her word. Take your seat, hon member.

The DEPUTY MINISTER OF PUBLIC WORKS: Chairperson, I hope I will be given a minute to ...

Mr F ADAMS: Hon Chairperson, the member must withdraw. He is accusing another member of lying. He says that she is lying.

The HOUSE CHAIRPERSON (MR B L MASHILE): Hon Paulsen, can you respond to that. Have you said so? Have you said that she is lying?

[Interjections.] I am speaking to you, hon Paulsen. What is your response?

Mr N PAULSEN: I saw her taking photos and then she denied that she is taking photos. [Interjections.]

The HOUSE CHAIRPERSON (MR B L MASHILE): No, that is another issue.

Mr N PAULSEN: Okay, I withdraw that she is lying. She is denying it.

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The DEPUTY MINISTER OF PUBLIC WORKS: Chairperson, there is an old Chinese proverb that says: Learn to cross the river by feeling the stones. In other words, difficult tasks are not necessarily best accomplished by simply rushing in headlong. Learn from experience. So, let's try and learn from experience by going back to the beginnings of Public Works in the nonracial democratic era.

In the first White Paper of 1997, in his foreword, the first post-apartheid Minister, Comrade Jeff Radebe, began by saying, and I quote: "Since its establishment, the Department of Public Works, DPW, has frequently been treated as a Cinderella department, narrowly confined to its tasks as state property manager and facility maintenance agent."

There are many features in the 1997 White Paper that are still relevant, I think, but it is also interesting to reflect back on how the Minister and administration at that time were framing the question: What is the Department of Public Works? It is quite obvious that back then in 1997, the role of being a state property manager was clearly seen as narrow, explicitly routine and rather boring, making DPW a Cinderella department.

Since then – and many of the contributions have already made this point – we have come to appreciate much, much better. We have a

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challenging and enormously strategic and important role, both from a social development and economic perspective of our core mandate. The Department of Public Works is the leading custodian of the state property portfolio, with over 93 000 building and some 29 000 land passes.

Two years after the White Paper, in 1999, Cabinet indeed approved, in principle, the creation of a State Property Agency. Unfortunately, and for several reasons, not much progress was made. When Minister Nxesi was first appointed as Minister of Public Works in late 2011, he found himself in a department in a state of chaos in free-fall. There were repeated audit disclaimers and it was also mired in several very high profile corruption scandals. Among the scandals was the Middestad Building, leased to the Police in Pretoria, and of course the Nkandla matter.

On arrival, the new Minister – he is no longer new – found two large files on his desk. The one was from the Special Investigative Unit, SIU, and the other was from the Public Protector. There was also a briefing note. I don't know if you remember this, Minister, there was a briefing note from the Minister of Finance, which called on the Department of Public Works to fulfil its mandate more effectively, noting firstly, that there was massive strategic instability in the department, in principle, because of the high

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turnover of DGs, Ministers, Deputy Ministers and secondly, the nonexistent of a complete asset register. We now have a complete immovable asset register. That is why, hon Figg, we can say that there are x-number of unused properties. Some years ago, we did not even know that. So, this has been an important part of the turnaround.

The briefing note from the Minister of Finance, at that time, further observed, quite correctly, that all of this was both the product of and a facilitator for endemic corruption within the department. From early 2012, Minister Nxesi launched a major turnaround and subsequent stabilisation programme within the department.

This is a journey, a crossing of a river undertaken, by the way, together with successive Parliamentary portfolio committees. This is not something that we, as the department, are doing on our own. We are working with portfolio committees. I am very pleased to see the hon Dreyer present who was here during that process. There was constructive criticism and acknowledgement that progress has been made. Sometimes, ... I am not saying that things have not improved from the DA point of view, because there are some good DA members. Sometimes, there is a lack of perspective and the depth of

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understanding of the difficult process, the difficult crossing of a river that is being underway.

Hon Sithole has also been with us, right through, since the previous Parliament, as well as important parliamentary support staff. One would like to acknowledge their engagement, constructive criticism, discussion and debate that have contributed to this process of turnaround and stabilisation. A particular achievement is the ring-fencing and the establishment of the Property Management Trading Entity to address the department's core mandate.

However, of course, advances across a difficult river bring their own challenges. Going back to Minister Radebe's foreword of the 1997 White Paper, after expressing discomfort with the supposedly narrow property role of the Department of Public Works, Minister Radebe, in the next sentence wrote: "But after the first democratic elections in South Africa's history, President Nelson Mandela announced a new Cabinet, and Public Works was charged with a bold and ambitious project to inculcate into all of its traditional functions, the basic principles of a national Public Works programme and to implement a community-based Public Works programme.

We can recognise here the seeds of what became in 2004, the launch of the Expanded Public Works Programme, EPWP. Today, the EPWP is one

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of the largest and one of the most consistently sustained public employment programmes anywhere in the world. If DPW came to a better appreciation and grew belatedly into its core state property management function, in the case of EPWP, the programme has far outgrown the department, its point of origin. All municipalities in South Africa, every single province and many, many national departments are all being active implementers of EPWP programmes.

With all the challenges, this is a great success, a global pioneering contribution when the very future of work is under discussion in places like the International Labour Organisation, amidst growing job precariousness, and the fourth industrial revolution, and so forth.

There are two major symptoms of this great growth and diversity of the EPWP, which the members of the portfolio committee and the Auditor-General have raised with us. The first relates to the accuracy of reporting on work opportunities. It is a matter which has been raised also by the Auditor-General with adverse findings over a couple of years now. The basic position of the Department of Public Works is that our director-general cannot possibly be the accounting officer for every single work opportunity scattered through all municipalities in South Africa, scattered through provinces and many different line departments.

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We are collecting the data, but the data comes from a variety of other implementers. So, we are saying ... We are still in a discussion and there is not complete agreement with the AG and Accountant-General on these matters. This does not mean that DPW must fold its arm and simply blame other accounting officers. We are expending considerable time and effort in assisting municipalities, provinces and even national departments in improving their EPWP data capturing and reporting.

We are also running all reported participant IDs through the Home Affairs data base, which is where we discovered that some have appeared to have died. Maybe they died in the course of the programme or maybe before, and therefore obviously, this... We removed them then from our report and accounting of the things.

Let me just say that I agree completely with hon Figg. The work opportunity target is a problematic one. It is exactly something that we have been saying. Let me also remind hon Figg that in 2014, during the election campaign, the DA announced that it was going to achieve, if it was elected as the national government, 7 million work opportunities. So, you were also committed to a target of work opportunities.

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What we have discovered, and you are absolutely right, is that a work opportunity can mean anything from three weeks to a fulltime equivalent of 230 days, which we calculated. The worst offender of creating lots of work opportunities of a very short duration, by the way, is the City of Cape Town. I don't know which part of the DA you want to blame for that. I think you should take collective responsibility. So, it is a problem in general.

We continue to engage both the AG and the Accountant-General on how best to ensure clean and accurate reporting. That is what we want. We all want that. There is now a further complication. As the Minister has noted, a significant chunk of our medium-term Budget allocation, some R7 billion, is earmarked for the EPWP Incentive Grant to municipalities and provinces. Interrelated challenges have started to emerge with the EPWP Incentive Grant system.

One, there is a growing tendency for the EPWP Incentive Grant to become the entire Budget for EPWP programmes, rather than a top-up, which is what it was intended to be.

Two, in many municipalities, part of the EPWP Incentive Grant is dispersed to individual ward councillors and this, in our view, is a grave risk and may account for allegations, and reality, in many cases, of abuse in the recruitment of participants. Let me make it

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absolutely clear that as a department, we don't care if the ward councillor is ANC, IFP, DA or whatsoever; it is fraudulent and corrupt to recruit people on the basis of party membership, on the basis of affiliation to this or that faction. We issued recruitment guideline to this effect. We, to the best of our ability, seek to ... It is a reputational risk to a wonderful programme saluted around the world by the International Labour Organisation and everywhere else.

Finally, let me say a few words about the highly topical issue of expropriation and the Expropriation Bill. I see that the Cochair of the Constitution Review Committee is present, which is great because we intent engaging actively with the ...

The HOUSE CHAIRPERSON (MR B L MASHILE): You still have five minutes to engage.

The DEPUTY MINISTER OF PUBLIC WORKS: Okay, so, I don't have to be so quick. So, I can take my time. That is good. There has been compensation. I am glad. Although my time was expropriated, I got some compensation that I am pleased with. [Laughter.]

The Bill is no longer with the department. It is with Parliament, not with us. However, as the original submitters of the Bill, we

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remain very interested and engage with this issue. Members will remember that after a successful passage through the National Assembly in 2016, the Bill went to the National Council of Provinces. Unfortunately, in our view, the National Council of Provinces' hearings were unduly hurried and vulnerable to a constitutional challenge. When consulted by the former President, Minister Nxesi, on our advice, said that it would be better to resubmit it back to Parliament, rather than end up in the Constitutional Court with a long prolonged challenge.

Having done that, subsequently, the big debate around expropriation, which is good, without compensation emerged. It is known that at the ruling party's national conference, a decision was taken that, in principle, the possibility of using expropriation without compensation was possible. Other parties have also talked about expropriation, sometimes without comprehension, but I think intending with ... [Interjections.] I was not referring to the EFF at all.

Mr N PAULSEN: Chairperson, will the Deputy Minister take a question?

The DEPUTY MINISTER OF PUBLIC WORKS: Maybe at the end I might have some time, but I would like to complete what I am trying to say. If it is possible later, I might. There was the ANC conference and then

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of cause here in the National Assembly, we had at least two or three parties and maybe more who supported a resolution, which came from the EFF – let's not get into that silly debate. The resolution was amended by the ANC and the amended version was adopted to establish a Constitutional Review Committee to recommend whether or not... This is clear as well.

The resolution did not say that the Constitution must be changed. It said it must investigate whether the Constitution needs amendment or not, in order to empower the possibility of expropriating without compensation. The resolution went on to say that it must be done in a manner ... [Interjections.] This is our resolution. The resolution went on to say that it must happen in a manner that increases agricultural production, improves food security and ensures that the land is returned to those from whom it was taken under colonialism and apartheid. That is part of the resolution. It is important and I agree with it.

In the light of this resolution, it is useful then to remind ourselves of an often forgotten subclause in the property clause 25(8). It says: No provision, which obviously must surely include also the provision requiring that just and equitable compensation must be paid in cases of expropriation, of this section, the property clause, may impede the state from taking legislative and

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other measures to achieve land, water and related reform in order to redress the results of past racial discrimination, provided that any departure from the provisions of this section is in accordance with the provisions of section 36(1).

I am sorry to get a bit technical. I think it is very important that we get on top of these things. First of all, note that, contrary to what is often said or distorted from some quarters, the Bill of Rights and the property clause is a mandate for dramatic radical transformation. It is not a blockage to it.

Section 36(1), which is the general limitation clause in the Bill of Rights reads: The rights in the Bill of Rights for example, in this case, the right to just and equitable compensation, may be limited, but only in terms of a law of general application, to the extent that the limitation is reasonable and justifiable in an open and democratic society.

As Adv Thembeke Ngcukaitobi, has so eloquently argued, there would appear to be absolutely no impediment within the Constitution, as it stands, for it to be possible to expropriate justly and equitably, without compensation in certain cases, provided these are clearly defined within the law of general application.

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In my view, the Expropriation Bill, currently parked with this portfolio committee and the NCOP, could serve, with some adjustments precisely, as such a law of general application.

However, let us not pre-empt the work of the Constitution Review Committee. I do, however, want to urge, in line with President Ramaphosa's responses in the National Assembly last week, that, regardless of our political affiliations, we engage with this absolutely critical but emotive land debate in a rational and constructive way.

Let none of us be in denial about the terrible legacy of colonial and apartheid dispossession of the black majority, not just the indigenous black majority, but those who are the descendants who came as slaves or indentured workers. That often gets forgotten. So, we urge rationality, but a common commitment. As the Department of Public Works, we have an important role to play. Sorry, I cannot answer your question. I am getting cut without compensation.

[Laughter.] [Time expired.]

Mr M L W FILTANE: When Public Works rots from the top, you have a national calamity. Welcome back hon Minister Nxesi. Once more, you have the unenviable task of having to haul this unfortunate department from the brink of collapse. This, after your predecessor

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was hell-bent on sending it back to the ICU by demolishing the struggling, yet critically and strategically important Independent Development Trust, IDT. He pressurised Dr Somadoda Fikeni to quit, even as the doctor kept on pleading for time just to bury his mother and then attend to IDT matters, only to have the IDT board replaced by a gang that immediately allocated themselves pretty hefty earnings from state funds, thus precipitating the collapse of the IDT.

To add insult to injury, the IDT budget was shrunk from R111 million to a mere R28,4 million. We take relief from our ever reliable justice system, which has now dismissed those persons' application to be retained as board members. Had this case been decided otherwise, we would be having board members who would earn money for doing nothing. I mean, what can you do with a mere R28,4 million nowadays?

The Property Management Trading Entity, PMTE, which is tasked with the responsibility of managing the whole property portfolio of government worth around R149 billion has been found wanting. The Auditor-General found that it has no basic plan for maintaining government buildings, yet this function could have been made available by the PMTE to the small, medium and micro-sized

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enterprises, SMMEs, in the construction industry, sustainably, just to keep the jobs in progress.

Hon Minister, this needs your urgent attention, as state properties are in dire need of regular maintenance. The staff working at Hout Bay Harbour remains traumatised by criminals who just walk in, terrorise and vandalise. Please provide security infrastructure there; we need your response today on this matter. The media has informed the public that in some districts, Home Affairs offices fail to meet healthy working environment standards. This has a negative impact on the productivity of the personnel in that department; it is a critical department in our country. Are you going to reprioritise this budget and give prompt attention to this demand, so that government can deliver services to the people through its employees?

Your department continues to fail to provide economic infrastructure to the poor who lack proper trading space, yet you have excess and unused buildings. They are trading on pavements, what a shame! This needs your urgent attention provided you have any appetite at all for lending strategic assistance to our budding entrepreneurs. In November 2017, the committee was informed that some 200 000 technical graduates could not finish their qualifications, all because they could not be placed anywhere for practical

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training, which is a compulsory component of their schooling process. How urgently are you going to attend to the loud cry of 200 000 voices that solely depend on the co-operation between you and the Department of Higher Education to finish their studies? Enabling legislation remains behind. This will detrimentally impact on the department's operations. Also, let it be noted, your department lacks strategic policy direction and, consequently, there is no synergy between it and its entities. This needs urgent attention. For your information, your department is busy disposing some of its properties without first presenting to the portfolio committee as we called for the principles that will be followed when this gets done. There is very little evidence of transformation of the built industry. We support this budget so that the people of South Africa can move forward. Thank you.

Mrs E K M MASEHELA: Hon House Chair, hon members, fellow South Africans, ladies and gentlemen ...

*Sepedi:*

... re a lotšha. Bagešo, re se ke ra lebala gore mmušo wa kgatelelo o bušitše mengwaga ye e fetago makgolo a mararo, gomme ga se wa ka wa nyaka go tseba gore rena batho ba go dula magaeng re nyaka mohlagase, meetse le tše dingwe tše bohlokwa. Ke fela mmušo wa ANC woo o bušitšego mengwaga ye masome a mabedi le metšo e mene, woo o

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dirilego gore re be le meetse, le mehlagase le tše dingwe tše bohlokwa. Ke ka moo re rego, ge 2019 e fihla, le se ke la lebala, etšwang ka bontši ka mokgwa wo le ka kgonago ka gona, le boutele ANC gore e tšwetše pele mošomo wo mobotse woo e šetšego e o thomile.

[Legoswi.]

*English:*

Hon Chairperson, our duty is to close the gap by redressing inequality, unemployment, poverty and creation of jobs. The Department of Public Works, led by the ANC government in 2000 passed the Construction Independent Development Board Act to regulate and develop the construction industry across the country. It also empowers the Construction Industry Development Board, CIDB, to play its leading role in promoting good practices to the industry. As a measure of addressing the low participation of women in the industry, the Department of Public Works in 2015 established the Women Empowerment Council to empower women contractors. As we speak now, at least about 40% of women contractors in the country are led by women. We are getting there.

*Sepedi:*

Re ya gona; re tlile go fihla.

*English:*

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Remember that when you empower a woman, you empower the nation. In accordance with the principle of collaboration which works with Trade and Industry to provide contractors with access to incentive schemes we strongly recommend that the idea of establishing business adversary services to small contractors be expedited. One of the crucial levels of development is to ensure that contractors are paid on time after service has been rendered. Strictly adherence to 30 days payment rule is paramount. This ensures that contractors are able to sustain their companies.

We applaud the recent finalisation of Property Management Empowerment Policy. The policy will drive progressive structural transformation of the property sector to create a conducive and equitable environment for black-owned enterprises to thrive. The issue of leases should also be seriously addressed to ensure that we reduce it drastically. Through the leadership of the Minister of Public Works, the Council for the Built Environment, CBE, has championed programmes with the objectives of transforming this sector. There are bottlenecks in the registration of professionals and we urge the CBE to step up and make sure that it eliminates those bottlenecks.

We applaud the CIDB for the nightmare of registration of companies, but as we speak now, it is done very fast and the companies are

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being updated electronically about the progress they are making. So, this is something which is very good. Subcontractors have been exploited for many years, now a regulation that was made in November 2017 ensures that there will be written contract between the principal and the subcontractor so that they are no longer exploited.

Funding was also a problem; however, this ANC-led government has created many institutions that assist with funding, for example the small Enterprise Finance Agency, NYDA and many others. The Construction Industry Development Board construction monitor released in 2018 - taken from January to June 2017, indicate that black owners, exceeding 50% in construction companies stood at 32% compared to 17% in December 2015. As a result of their interventions, 400 contractors have achieved CIDB grading more than before and seven of them are at grade 7. The issue of downgrading contractors who are at grade 2 to 6 because they cannot get jobs is a frustrating activity for disadvantaged contractors. This has been suspended and we urge the department to cancel the downgrading all together.

In conclusion ...

*Sepedi:*

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... ke re go setšhaba sa gešo, go lebogwe Mopresidente wa rena wa maloba, Tate Nelson Mandela yoo a ka bego a fetša mengwaga ye lekgolo, gammogo le Mma Albertina Sisulu, le mmagosetšhaba yoo a sa tšwago go re tlogela, Mama Winnie Madikizela-Mandela, a re tšweng ka makata a namane ka 2019, re yeng go boutele mokgatlo wo mogolo, mokgatlo wa ANC gore o kgone go thopa sefoka dikgethong ka diperesente tša godimo. Re le ANC re thekga tekanyetšo ye. Re a leboga.

The HOUSE CHAIRPERSON (Mr B L MASHILE): Hon members, I was not informed about the whereabouts of hon Meshoe. I therefore call hon Adams to take the podium.

*Afrikaans:*

Ms P E ADAMS: Agb Voorsitter, agb Minister en Adjunkminister van die Departement van Openbare Werke, agb voorsitter en lede van die portefeuljekomitee, agb lede van die Nasionale Vergadering, die Direkteur-Generaal en bestuur van die nasionale Departement van Openbare Werke, dames en here, ek wil hierdie toespraak opdra aan die ontslape heldin, mama Winnie Madikizela-Mandela. Mama was 'n vryheidsvegter par excellence.

*English:*

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She was committed right up to the end to the struggle for social justice.

*Afrikaans:*

Mag haar onsterflike siel in ewige vrede rus. Agb Voorsitter ...

*English:*

We are confronted with major struggles in the form of the triple challenges of poverty, unemployment and inequality. Government's theme for 2019 is Renewal, unity and jobs. To address the triple challenges, government introduced public employment programmes, PEPs, to address the structural defects of the economy.

PEPs such as the Expanded Public Works Programme, EPWP, is internationally seen by institutes such as the International Labour Organisation, as part of an ongoing employment and social protection policy to create employment opportunities for the vulnerable groups in society.

In 2003 the Growth and Development Summit was held, whereby government committed to implementing a structured programme of PEPs. This is where phase one of the EPWP was borne in 2004-05. It had a goal of creating one million work opportunities for adults between the ages of 18 and 60 who did not qualify to receive any form of

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social grants. Both phases one and two achieved the set targets. The success of phase two led to the EPWP setting an even higher and more ambitious target of creating six million job opportunities in phase 3 between 2014 and 2019.

By the end of the 2017-18 financial year, the EPWP had reported 3,31 million work opportunities. We believe that the actual number of work opportunities created is far higher than the official figure. This situation can be attributed to poor reporting by implementing public bodies largely because the EPWP has not been institutionalised in some of these structures.

The national Department of Public Works as a national co-ordinator of this programme and the disburser of incentive grants has always been providing support to public bodies to improve reporting, and has undertaken many training programmes to educate officials in the public bodies throughout the country on the compliance requirements to legislative and regulatory ... [Inaudible.]

*Afrikaans:*

Die WAARNEMENDE VOORSITTER (Mnr B L Mashile): Jy het nog twee minute oor.

Me P E ADAMS: Nog twee minute.

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*English:*

With the growth and evolution of the PEPs, we have seen the EPWP expand into other sectors, including the Community Work Programme driven by the Department of Co-operative Governance and Traditional Affairs and the Work on Fire and Working for Water programmes championed by the Department of Environmental Affairs, amongst others. The department is also collaborating with the Department of Energy to install and maintain solar water heaters. This is in accordance with the theme for 2018 which is Growth, unity and jobs.

These efforts demonstrate effectively that we are not subscribing to the silo approach. We are one government. We are working together to move South Africa forward.

Various reports suggest that the EPWP is not providing the adequate levels of skills to beneficiaries to be able to seek and find other gainful employment. In some instances beneficiaries are not provided with the requisite training and adequate tools of trade. Public bodies must adhere to the legal requirements, including those stipulated in the code of good practice for special public works.

The EPWP must not be used for patronage purposes. Community involvement is crucial, not only for the purpose of gaining the acceptance of the target group for the project, but also to ensure

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that channels of communication facilitate the flow of information about available skills to the community and other community needs, and to enhance ownership of the project. By involving community-based organisations, one is also well positioned to ensure effective oversight over EPWP projects and to eliminate the manipulation of projects for private gain and patronage.

As the members of the portfolio committee we have noted the allocations. The ANC supports the Budget Vote. [Applause.]

Mr D R RYDER: Chair, the reputation of Public Works lies in tatters, with the department having spent 24 years disappointing South Africans through its inability to perform its core functions. We are often reminded by our MacDonald's art-loving chairman that we need to address the imbalances of the past and yet the committee allows the department to continue down the same path that they have always been on but somehow expecting a different outcome.

Public Works, as the custodian of government's fixed property, should be responsible for making sure that government buildings are suited to the purpose for which they are used. Yet the norm is that government's facilities are crowded, unsuitable, abandoned, run down and would be an embarrassment to this government if it had any shame left.

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Let's consider the issues. Public Works is yet to finalise the asset register, and is still not sure what properties it owns and in what state they are in. This, when property ownership is the core of the most important discussion that this country has ever had. While the land debate rages on, as Dr Figg mentioned, the Department of Public Works sits on over 12 000 unutilised properties. That's 1,9 million hectares of unused land. The government can immediately start the process of transferring land to the landless in order to move the country forward, if only they had the political will.

Vacant government properties invite illegal occupation, illegal dumping, with overgrown conditions favouring criminals, unkempt and untidy properties creating an eyesore, and generally, creating displeasure and a health hazard amongst South Africans. Abandoned buildings house drug addicts and criminals, robbing neighbours of peace and quiet and devaluing their properties.

Public Works has not maintained or expanded facilities in line with population growth and urbanisation. Government employees are ashamed of the facilities where they work and their job satisfaction is eroded by a combination of this sense of shame and having to face the anger of the people that they serve who are subjected to conditions of overcrowding, broken infrastructure, poor design and unsuitability. Facilities set up for the housing of government

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employees are in an appalling state, showing how much the team of Public Works actually feels for their colleagues.

The EPWP is acknowledged as a good project, Deputy Minister, yet it is often abused as a means of patronage by councillors in exchange for favours, sex, influence and even votes.

So how has the department responded? The Property Management Trading Entity, PMTE, is in a shambles with a shocking record of governance reflected in consistently poor audit findings. Project management skills are an apparently rare commodity, only obtainable at great expense from external consultants in spite of the high salary bill of the entity.

The Independent Development Trust, IDT, is in crisis. One can only celebrate the recent changes in the board, thanks to our new Minister, and pray for an improvement in performance. But let's put this in context. In the last financial year, 19 schools were planned for construction by the IDT; five were built, yet the full budget was spent, and more. That performance is criminal and generations will feel the consequences of this incompetence.

Now we have a new President and a new, albeit recycled, firepool Minister. I had hoped for some changes; that the embarrassment of

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the firepool would have refreshed the approach of the Minister and that we could see a new direction for Public Works. Yet in a shameful display of business as usual, we are presented now with a budget that promises nothing but continued plodding along the path to total self-destruction, in spite of the Minister's admission that, "the long standing challenges of the department are of a structural and systemic nature."

The department is shown by the Auditor-General to be poor in governance and to be the 6th worst-performing department in government, spending 99% of its budget but only achieving 56% of targets. With not even a nod to the marginalised people needing government services or the government employees working in sweatshop conditions, the department promises to do exactly what it has always done, consequences be damned.

The department fails to grasp that in order to address the imbalances of the past, they don't need to do anything fancy or new. Just do your jobs! Just help South Africans to access government services. The work that you do, or more often fail to do, has a direct impact on the lives of your countrymen.

Supporting this budget would be an insult to the people who are forced to interact with government in inappropriate buildings and to

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the millions of people who are not even given the chance to do so because of the distances they would need to travel.

The DA would overhaul the entire department, defining its currently unclear functions in an effort to build one South Africa for all. We would develop a plan for the maintenance of existing infrastructure. We would plan for growth and urbanisation, and professionalise the administration to ensure that projects are delivered on time, within budget, to standard, and without the diversion of funds into the hands of corrupt, unscrupulous politically-connected individuals.

Under a DA government, land redistribution would begin with the state facilitating handovers of surplus vacant land. A new set of performance targets needs to be developed urgently, aligned to the expectations of the people that we serve, and the budget needs to be realigned to ensure that targets can be met. We reject this budget and this report. [Applause.]

Mr F ADAMS: Chairperson, DSG sorry that our surname is so famous. Sorry about that and not the EFF is so famous. Hon Chairperson, hon Minister, Deputy Minister, members of the Cabinet that are present, MECs and other distinguished guest, the Chairperson and members of the portfolio committee, hon Members of Parliament, fellow South Africans, ladies and gentlemen.

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The ANC, wish with complete shock and dismay the Israeli arm forces massacre of peaceful Palestine protesters which has so far resulted in the demise of 55 people or 58. The non-silent and insensitive inauguration of the American Embassy in Jerusalem will forever be drains in the blood of those innocent people particularly the children as well as woman who parish through the barrel of their guns. For a country that has always protected itself as a unifier as well as pacifiers yet finds it appropriate to give a blind eye to atrocities vested on Palestinians by the Israel armed regime. Here comes the Israel's government spoke person.

Mr C MACKENZIE: Chairperson, I rise on Rule 92. Can I ask the hon member the relevance of this as to the debate on Public Work?

[Inaudible.] I again on the second point of supplementary point of order, could the hon Deputy Minister ...

The ACTING CHAIRPERSON (Ms N Gina): No, you are out of order, hon member. Please, take your seat.

Mr F ADAMS: the reality is that if you touch a raw nerve because they must go and explain to Israel why they can't invent or produce the millions that they have promised Israel for the desalination plants in Cape Town. They must go and explain that, so is quite

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sensitive for them if other people talk about the wrong doing in Israel.

We would like to express to the Palestinian people that their suffering will not be in vain and our freedom and liberation will not be complete until they are free. Free the Palestinians free.

Let me just say to my colleagues, hon Filtane and hon Rayder and hon Figg that the IDT is that the Minister that has come in... No man, this man is bored. He needs a toy.

The ACTING CHAIRPERSON (Ms N Gina): What is your point of order?

Dr M J FIGG: The hon member knows very well, he shouldn't refer to one of our members as a fake. He should say hon Figg or Dr Figg. Thank you, Chairperson.

The ACTING CHAIRPERSON (Ms N Gina): You are on form this afternoon. He said my colleagues. Can you refer to them as hon members?

Mr F ADAMS: but I said to the hon. I said hon and then I mentioned the names. You must listen, Chairperson. You must listen.

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The ACTING CHAIRPERSON (Ms N Gina): No, hon member. You are out of order, please take your seat.

Mr F ADAMS: On the IDT, the Minister has quickly moved to address the situation/ the board members have been removed and the department has won the case against the board members who litigated against the department and against the Minister. It has been told in the portfolio committee. Now, I don't know how these members listen in the portfolio committee or they don't listen or there are just there to come and show beautiful faces.

Mr M L W FILTANE: Point of order, Chairperson.

Mr F ADAMS: On properties lying unused, ...

The ACTING CHAIRPERSON (Ms N Gina): Hon Filtane? Hon Adams, please hold on.

Mr M L W FILTANE: The member at the podium is misleading; I compliment the Minister for the move.

The ACTING CHAIRPERSON (Ms N Gina): Thank you.

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Mr F ADAMS: My apologies hon Filtane if I mentioned you but you know, you are so in my mind that I have to mention you sometimes with the DA. I am sorry.

On properties lying unused the department has developed a leasing out strategy which will be canvassed throughout the country which the Minister in the last portfolio committee meeting has alluded to in the portfolio committee. Strategies for investment have been developed and partnerships have been formed with private sector.

In the inner city regeneration, pressing development plan has been crafted. The member was there when the Minister mentioned that I think on his second visit to the portfolio committee when he came back now in this year. Pressing development plans for small towns has also been included which the Minister has also alluded to in that regard.

The Budget Debate Vote is taking place at a time when we have installed or where a new leadership in actual fact a regenerated or revised or revamped I don't know how you call it, not expropriate but a renewed revised energised Minister's come back to this department. No, whether it is recycled or what it is still new.

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Recycling in actual fact is very good. It is not like the DA policies used, abused and kick them out. You can ask Patricia Delille. No, you used and abused. You used Supra in North West. You can go look him up and if you find him, send him our regards. The DA used has used Delille. They have offered her so much position, MEC, Mayor and everything and now the current Premier of the Western Cape which was the ex-leader of the DA is advising Delille to say deal with those unscrupulous DA party. So, on the DA there is trouble in paradise.

As Members of Parliament, our focus is to ensure that executive implementing organs of the state remain on course to deliver quality public services and addresses the challenges faced by our people. This year marks the centenary of the birth of the antiapartheid struggle icon and the first President of the democratic South Africa, Mr Nelson Rolihlahla Mandela. It is therefore appropriate that we celebrate this icon by following in his footsteps and taking heed of all the wisdom he imparted. The ANC has also declared 2018 as the year of renewal, unity and jobs. We are already starting to see signs of renewal in the Department of Public Works with the return of Minister Thulasi Nxesi and I know the outcry from our left hand side because they don't like to see things happening in the ANC. They don't like to see an ANC government correct itself. They don't like to see that mistakes are being rectified by any deployees

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of the ANC because they can't rectify mistakes. In actual fact if mistakes happen in their part they rather sweep it under the carpet or try and get rid of it as such like they used and abused some people. You know, I want to ask myself ... [Interjections.]

The ACTING CHAIRPERSON (Ms N Gina): Hon Adams?

Dr M J FIGG: Will the hon member take a question?

The ACTING CHAIRPERSON (Ms N Gina): Order, hon members

Mr F ADAMS: If I still have time, Chairperson.

The ACTING CHAIRPERSON (Ms N Gina): Order, hon members. They are asking him.

Mr F ADAMS: If I have time afterwards I will take his question.

The ACTING CHAIRPERSON (Ms N Gina): Yes, if you have time you will.

Mr F ADAMS: Obviously. What the DA is good on doing is in the polo-talk between J P Smith and Zenthia Lambert. They are very good on that and about how to remove people as such. They are very good in doing bedroom polo-talk. When the Minister was first assigned to

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lead the Department of Public Works towards the end of 2011, he found the department that was performing very way below par, marked by successive disclaimer of audit opinion by the Auditor-General and lack of appropriate system to run the business of the department. A crisis of credibility marked by gradual loss of its mandate, amongst other things, the Minister came on board and immediately introduced a turn-around strategy and I don't whether the DA know what a turn-around strategy is.

Yes, they have a turnover strategy. The ANC lives and the ANC leads and the chase away strategy. That is what they got and the court running strategy. That is all what they got in mind. How do we see this leadership? In 1994 when the ANC came into power as the Minister has already alluded and the Deputy Minister, there was no immovable asset register in the Department of Public Works. Records that were there were either misplaced or destroyed by the then some of the members that sit on the right hand side which were part of the pre-1994 era.

The department then introduced the immovable asset register enhancement programme. When Minister Nxesi acme on board we saw the pace of completing asset register being accelerated. We now have a fully flat asset register. We now know the extent of the asset under the custodian SAP of the Department of Public Works. The department

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can now facilitate the achievement of other Strategies priorities including allocating land for human settlement and for purposes of land reform. The task that lies ahead is to ensure the department accords values to state property appropriately. This will address the challenge the department has confronted with its external audit which in the previous financial year led to an adverse opinion in respect of the PMT.

As members of the portfolio committee, we see that things have gradually improved. Those late comers in the portfolio committee should have done the decent thing and ask us that has been there to say what has happen, we would have informed you instead of coming to the podium and give uninformed verdicts.

South Africa is often used to extract best practices in certainly in the area of immovable asset management; there are many lessons to learn from the international community.

State capture is real. This adieus phenomenon manifests itself in a number of ways. In the government departments, we see certain companies with various expertises colluding to manipulate prices and decide amongst themselves who should get a tender. These mal-practises lead to the creation of barriers to entry especially for emerging black contractors.

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State capture is also shown by the manner in which these companies calmly manipulate the government legislations and regulations in their favour. What do I mean by that? These companies engage in acts of fronting by using subsidiary companies to inflate the BEE's score cards. Meanwhile, they do not engage the subsidiaries in meaningful way to allow them to develop and acquire the necessary expertise to move in.

The ANC support the Budget Debate Vote and let me just say thanks to the parliamentary staff for doing a well done job to the portfolio committee. Thank you very much.

The MINISTER OF PUBLIC WORKS: Hon Chair, we thank all the members for their contributions who have done that constructively and we will take all their issues which are constructive into consideration. We will respond through the parliamentary committee as they hold us responsible but we will leave out political rhetoric which is not helping. The budgets cuts are a result of cuts across government because of the economic situations and I hope hon members understand that. The economic environment we find ourselves in necessitated budget cuts which were done across the departments.

As you say DA, you would have done it differently. Maybe this shows us how you do it differently with De Lille. That is your approach.

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Hon Paulsen, the EFF leadership is having a vision and a dream. You said you have envisioned something differently. Put it in my language...

*IsiXhosa:*

... Intle into yokuba uphuphe nokuba na amaphupha lawo awasayikuzaliseka. Intle loo nto leyo.

*English:*

It is wonderful to have dreams even if those dreams are not going to help you. I wonder what this different thing is. We have stopped the reckless spending on Ministerial accommodation. I hope hon Figg the DA members will also support that we do not renovate the houses or villages because it will be seen as trying to bring comfort to the hon members. I think that we are doing it properly and it is properly guided. We are doing the proper planning like what we are doing with the Ministerial houses. We are doing the same with the villages and we have seen some of the improvements.

I know the concern about the use of the consultants but you must know that in the building environment consultants is part of the system. Those are the consultants we are using who are part of the system and had to do things independently. I think you need to

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understand that and we accede on health and safety that some of our buildings need some consideration.

When we transfer land to the landless for housing, DA resisted because they are still living in the land of blacks and whites. Instead of allowing houses to be built in towns where the towns are accessible, they give it to the rich. The last is point is that it is not surprising that DA is supporting the butchers and killers of innocent children and women in Israel. It is not shocking and it has always been part of their policy. [Applause.]

Mr C MACKENZIE: Hon Chairperson, on a point of order: I am sorry...

The ACTING HOUSE CHAIRPERSON (Ms N Gina): Unfortunately there is nobody on the podium and no time.

Mr C MACKENZIE: So, the Minister can tell as many lies as he likes on the podium and then walk away?

The ACTING HOUSE CHAIRPERSON (Ms N Gina): There is no time for him to take your question also.

Debate concluded.

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The mini-plenary session rose at 15:54.

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