

Forward-thinking needed in the Department of Public Works and Infrastructure to unlock the potential of the construction industry

By **Samantha Graham-Maré** - Shadow Minister of Public Works and Infrastructure

Chairperson,

Let me start today by addressing some of the historical issues that have beset this department and its minister recently.

Two, in particular, bear mentioning only because of the magnitude and impact of each. Cue the Beit Bridge border fence saga. The DA certainly welcomes the finding of the SIU that the profits paid to the contractor were irregular and must be recovered, although this might change on appeal. We are also watching with interest to see the outcomes of the various disciplinary hearings, which are still not completed, two years after the event. It is astounding that Minister Patricia De Lille has managed to evade any censure, despite the entire project arising from a directive signed by her.

And, we cannot forget about the fire at Parliament in January of this year. The fact that there were warnings of potential fire risks to the Parliamentary precinct in the BDO report, commissioned by the Minister, and nothing was done to address them, should raise red flags, as should the reported lack of fire equipment maintenance and the failure of the sprinklers and fire alarm to activate. Instead, the only measure of accountability has been in the disciplinary action taken by SAPS. Not one person from the DPWI has been held accountable, despite the fact that facilities management of Parliament is the responsibility of Public Works.

But enough about the past. Our job today is to speak to the budget and the Annual Performance Plan for the Department of Public Works and Infrastructure and its entities for the next financial year.

But, Chairperson, how do you begin to take a budget seriously when the ONLY 2 outcomes listed under Administration in the Property Management Trading Entity for the next financial year, are “spend of the allocated budget” and “percentage financial performance level”. One would think that spending your budget would be a given. Not exactly something you would need to write down officially as a reminder for an entity with a budget of R18.3 billion for the next financial year.

But that is exactly the case with the PMTE. Perhaps it is because they have only managed to spend between 82% and 93% of their budget over the last 5 years. They need prompting. And yet, it is this entity that receives the largest chunk of cash allocated to the Department of Public Works and Infrastructure. It is this entity that is responsible for the property portfolio of the government – the largest in the country. It is this entity that is responsible for construction project management and infrastructure build. And, unsurprisingly, it is this entity that is responsible for facilities management.

Of the money that the PMTE did spend in the last financial year, 59% of its budget was spent on operating and leases and a mere 28% on repairs and maintenance. In other words, this entity spends twice as much money on other people's property than it does on maintaining the properties for which it is the custodian. And even their leasing operation is poorly handled.

Following an instruction from the Minister, the Department ceased paying month-to-month leases. They just stopped. One of their landlords, somewhat irked at the sudden loss of income, locked his buildings which housed various client departments, including the office responsible for issuing police clearance certificates.

The implications were dire and far-reaching. The landlord sued the department and was ordered to pay him R58 million. Minister De Lille blamed the Auditor-General for her decision in a statement to the media.

And while the department is fighting with its landlords, on the one hand, they are paying scant attention to the steadily worsening state of their properties. Not only are they being vandalized and falling into disrepair, but they are also devaluing the neighbouring properties of private citizens as well as impacting the safety, security, and quality of life of the communities in which the properties are located. Let me provide one example.

At Excelsior Court in Durban, the residents in the surrounding area have been fighting for 15 years against the degradation of the building, unlawful occupiers, the washing of taxis with fire hoses, the stripping of the lifts, doors and window frames, rats the size of dogs and even a slaughterhouse in one of the garages. The latest occupants are drug gangs who are threatening and attacking the neighbours and having running gun battles in the streets. Imagine living with this for 15 years and your government does nothing?

The DPWI currently has 2029 unutilised properties, with over half of them illegally occupied. And yet, the major focus of Minister De Lille, fired up by President Ramaphosa, is new infrastructure.

Meet Infrastructure South Africa. This is the jewel in the crown of the Minister and the answer to addressing infrastructure-led economic growth over the next 20 years. In the midst of the high-fiving and back-slapping that accompany any mention of ISA and its SIPS, it is important to remember that ISA is not the initiator of these projects.

It has been established to perform a central coordinating function of existing infrastructure projects and as a conduit for infrastructure funding in collaboration with the Development Bank of South Africa. It reports to the Presidential Infrastructure Coordinating Commission. And two years after its establishment, ISA remains a complete mystery. Entire three-quarters of a page out of 131 pages of the APP of the Department of Public Works and Infrastructure is dedicated to it - a programme tasked with the facilitation of R100bn of government investment in

infrastructure build. A programme that appears to take a lot of credit for outcomes in which it had very little input.

When will ANC's preoccupation with new and shiny vanity projects end and instead be refocused on just fixing what is broken? We have to start restructuring our budgets in all spheres of government to provide real, tangible funding for repairs, refurbishment and maintenance of our existing infrastructure. If planning and budgets are redirected towards the repair and refurbishment of the failing infrastructure across the country, this will provide ongoing job opportunities in many rural areas where new infrastructure builds are few and far between. It will assist SMMEs and emerging contractors to retain their cidb accreditation and allow them to organically grow and develop their companies.

Practically every entity that reports to the DPWI, has its own Contractor Development Programme. What is the point of developing these contractors, creating hope and then leaving them with little to no chance of getting work because there are so few projects available? Refocusing our energy on rebuilding our failing infrastructure can address this. And the more projects we have, the more opportunity there is for the over 10800 unemployed graduate professionals to find work in the construction sector.

This might be an opportunity too for the Independent Development Trust which has had new life breathed into it with the establishment of a passionate Board of Trustees, to find a niche, untapped market in the maintenance, repair and refurbishment of state-owned properties. We have endless untapped human capital, a pool of graduate professionals in the built environment ready to roll up their sleeves and work, a construction industry exploding with potential and at least 2000 buildings to start on.

The Department of Public Works and Infrastructure holds the key to unlocking a booming construction industry. They just have to turn it.