



NORTH WEST PROVINCIAL LEGISLATURE

PORTFOLIO COMMITTEE ON PUBLIC WORKS, ROADS AND TRANSPORT

**REPORT ON THE DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT
ANNUAL PERFORMANCE PLAN FOR THE YEAR 2010/2011**

1. INTRODUCTION :

The Department on Public Works, Roads and Transport Annual Performance Plan 2010 – 2013 Medium Term Expenditure Framework (MTEF) was tabled in the North West Provincial Legislature and referred to the Portfolio Committee on Public Works, Roads and Transport for scrutiny. On the 22nd April 2010, the Department was invited to brief the Committee on the Annual Performance Plan 2010/11.

The purpose of the meeting was for the department to outline the departmental priorities and planned outputs for 2010 -2011 MTEF. The department made a presentation highlighting the following key programmes: **Administration, Roads Infrastructure, Public Transport, Public Works, And Community Based Works Programme.**

BUDGET ALLOCATION FOR THE DIFFERENT PROGRAMMES:

PROGRAMME	APPROVED AMOUNT
Administration	R118 288 000
Roads Infrastructure	R 1 070 559 000
Public Transport	R 748 772 000
Public Works	R 576 371 000
Community Based Programme	R 79 924 000
Total	R2 593 914 000

2. CHALLENGES:

- The movement of personnel to the Department of Human Settlement and Public Safety during the reconfiguration of departments has lead to a decline in the budget allocated for the compensation of employees.
- There is no maintenance budget for emergency vehicles (red fleet) that is procured by the Department of Health. Therefore affecting the delivery of goods and services.
- There is insufficient funding for rolling out of new policy imperatives such as GIAMA, iE-Works and taking care of maintenance backlog.
- There are inadequate office buildings to accommodate all Provincial Departments.
- The cancellation of contracts due to contractor non-performance of inexperienced or emerging contractors.
- The delayed payment of service providers by Client Departments.

- The infrastructure budget that is allocated to client departments as well as mini-public works established in other departments.
- The following challenges are specific to road infrastructure:
 - Overloading of heavy vehicles and floods contribute to the damage of the roads infrastructure as trucks often avoid toll gates and weighbridges.
 - Motorists tend to use adjacent routes when there is road maintenance on one road therefore increasing traffic and leading to re-prioritisation of emergency patchwork that now has to be outsourced to a contractor on a road that only needed routine maintenance.
 - The conditions of the provincial roads are deteriorating at a fast pace due to a lack in sufficient funds for maintenance. An amount of R265, 732 million has been reduced from the equitable share and allocations by the National and Provincial Treasuries.
- The following challenges are specified for the Yellow Fleet (Plant and equipment):
 - Insufficient budget allocation for repairs and services
 - Delay in the approval of maintenance contractors
 - Delay in issuing Orders for repairs and services
 - Delay in appointing workshop managers and Artisans
 - Lack of training and supervision by Roadwork Instructors
 - Unqualified Operators on graders
- The following challenges are specific to Expanded Public Works Programme:
 - There is general reluctance and lack of commitment of top management towards Expanded Public Works Programme resulting in slow progress in implementation.
 - There is also a serious lack of technical and managerial capacity within some of the implementing bodies of Expanded Public Works Programme which makes it difficult for the programme to meet targets.

3. COMMITTEE OBSERVATIONS:

3.1 Annual Performance Plan:

- The conditions at Lowe: There is a company doing renovations at Lowe. The road in Lowe is a municipal road and it is the responsibility of the municipality
- The Building Maintenance Management System should be efficient to avoid government buildings that have been there for over 25 years and have not got any maintenance.

- In light of the Auditor General's report, the department has approximately R10 million in immovable assets that are in the Department's care, the process of acquiring title deeds should be monitored.
- The Department needs to cautiously audit government assets in rural areas such as buildings that were formerly used for military units.
- The Auditor General states the department can only record assets for which they have a title deed. The department will secure the title deeds through the traditional authorities.
- Immovable assets such as land should be thoroughly audited and preference should be given to disadvantaged farmers.
- The contract for the programme managers, Tau Pride, for roads and building infrastructure expired in November 2009 and the new contract is awarded to P.H. Bagale in 2010.
- The department has to utilize programme managers as it is a national requirement. Government is moving towards capacitating departments to get professionals within the departments and save costs by not outsourcing programme managers.
- There are other buildings that were established by the National Department of Public Works that the Office of the MEC cannot account for.
- There is a lack of office space for other departments and there has been a lot of money spent on leased properties to accommodate government departments.
- The department should have a fleet management policy that would address problems like the disposal of vehicles that have reached their life span.
- There are different categories for acquiring contracts for the airport. An amount of R400 million is needed to reach category 9 which would ensure that all requirements are met and as a cost-effective measure, the department cancelled the Sub Sahara contract.
- The Sub Sahara Air link Contract with the Airport was cancelled to redirect funds towards programmes like scholar transport. The cost for one bus is R300 000 per annum as compared to R750 000 per month for the Sub Sahara contract. That is the reason for the department prioritising the scholar transport as 250 000 learners still need the service.
- The disposal of properties; which forms part of the resolutions of the Standing Committee on Public Accounts; is done in phases:
 - The first phase is the disposal of residential properties that are redundant which are offered to the current tenants.
 - The second phase is the disposal of land which is done region by region and has started in Dr. Kenneth Kaunda District. The land has to be surveyed first in order to track the

disposal of land. Diagrams of the land should be submitted to the Survey General. At the moment, 30 of the diagrams have been done, 51 of them have been registered and the title deeds will be given to the Auditor General.

- The third phase entails alienating rural properties for surveying them in order to do an audit of ownership and to update the Asset Register.
- These properties would later appear on the National Asset System (iE Works). As they are government assets they should be accessible to National Department of Public Works and Land Affairs.
- The department checks with other interested departments before disposing government buildings by advertising in newspapers, gazettes and writing letters to relevant departments.
- Spornet Properties: The department is trying to acquire title deeds for the land that belongs to government on which developments were done by Spornet.
- The EPWP has reached into providing jobs for the social sector in the following manner:
 - Education Child development Centres
 - Feeding schemes at schools
 - Social Development
 - Mosupatsela and Love Life
 - Agriculture: CASP and Land Care
 - Municipal Infrastructure Grant: Maintenance of roads, clinics and classes.
- The department is busy with a recruitment drive to check at tertiary and Grade 12 level, whether there are matriculants who want to study engineering so that they can get scholarships and later be absorbed by the department.
- The Road Agency Bill is still with the State Law Advisors. Its establishment would go a long way in addressing issues of budget for roads infrastructure.
- *The following reports were received by the committee a day before the budget presentation in the House:*
 - Taxi Recapitalization: The challenges that the department has met and how they intend dealing with them.
 - Business Plan for Expanded Public Works Programme
 - Report on the payment of rented properties.
 - Outcomes of the Disciplinary Committee on the Suspended Chief Director: Roads Infrastructure

3.2 Observations from the Oversight: 2010 FIFA World Cup Road Projects:

- The new developments along the Western Bypass include some paving on the road, new reinforcements along the islands that divide the roads for safety purposes. The Official Hand Over on the 24th May 2010 will be done on the Paved Traffic Circle along the Phokeng Road to Sun City.
- The road is a two-way carriage road that is situated in Phokeng and leads to Sun City.
- Road Signage along the road is clearly visible.
- The Derdepoort Road which links Limpopo and North West Province is not fully constructed; it has only been gravelled to ensure that it is trafficable. It will be resealed in the next financial year. The Limpopo Province will be responsible for constructing 30 km of the road as it is in their province.
- The department will be ready to deliver to the FIFA on the 24th May 2010.
- The two bridges that have to be constructed near Sun City and Derdepoort off ramp will not be completed for the World Cup.

4. RECOMMENDATIONS:

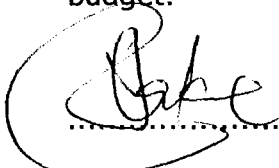
- The department to prioritise roads and scholar transport for the adjustment budget during the third term.
- The department to establish a Trading Account to ensure that the revenue that is received from disposal of properties is retained in the province and not absorbed to the national budget.
- Although the department has managed to submit the reports that were requested by the committee, they are cautioned to submit reports on time so as to allow the committee ample time to scrutinize the contents.
- The department is requested to submit Performance Reports and Expanded Public Works Programme Progress Reports as well the Internal Audit reports on a quarterly basis.
- The department should submit a Financial Recovery Plan on how the department will curb the utilization of this current financial year's budget to pay for previous financial year projects.
- The department is commended for shifting the budget from the Sub Sahara Air Link Contract to Scholar Transport, however the committee still recommends that the department must review the operations at the Mafikeng Airport and look into possible Public

Private Partnerships in order to retain the international status of the airport.

- The department to prioritize the completion of the Road Agency Bill as a matter of urgency as it can be used as an instrument to for the department to get revenue for roads construction.
- The department should look into the high rates paid at the Swartruggens Toll gate on the N4 as there is no alternative route that motorists can use.
- The department to elevate the status of Lowe and must benchmark with Limpopo and Free State Provinces to check the residential areas of the Members of Parliament.
- The department to replace the security at Lowe with The South African Police Services.
- The department to draw up a comprehensive fleet management policy.
- The department must revisit Dubai to get detailed information on maintenance of roads.
- The department to submit a Status Report on for Potchefstroom Airport in seven days ; as it is for 2010 World Cup and needs urgent attention. The committee will be conducting a special oversight visit on Monday, 24 May 2010.

5. CLOSURE:

The committee cautions strongly that the department should prioritize road maintenance and construction to alleviate the poor state of the roads in North West. Also the committee requests the House to support the budget.



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Hon. Y. M.M. Makume

Date: 19/05/10
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**Chairperson: Public Works, Roads and Transport Portfolio
Committee**