



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

**MINISTER OF PUBLIC WORKS
REPUBLIC OF SOUTH AFRICA**

Gauteng Launch of Tshepo 500 000 and EPWP Phase 3 Programme

Kopanong Sports Centre, Ivory Park, 11 Dec 2014

Keynote Address

Mr TW Nxesi MP, Minister of Public Works

Protocol:

- Programme Director (MEC Lebogang Maile)
- Premier Mr David Makhura
- MEC: Ms Nandi Mayathula-Khoza
- MEC: Ms Faith Mazibuko
- The Acting Mayor of Johannesburg
- MMC: Ms Ruby Mathang
- Councillors (Mr Zitha)
- Ladies and gentlemen

A special word of thanks to the Guard of Honour provided by the EPWP Firefighters (*It makes a pleasant change from the other kind of Fighters.*)

Thank you to the Province for inviting me to participate in this important and impressive event. Gauteng has raised the bar with:

- The demonstration by EPWP Working on Fire;
- The introduction and launch of Tshepo 500 000 – a highly ambitious flagship programme – “to turn every working space into a training space” – in the words of the Premier – and part of the major strategy for radical Transformation, Modernisation and Re-industrialisation of Gauteng (TMR). It is a good thing when government is ambitious in relation to service delivery and work creation.

In the time available I want to share with you information on the following:

- Phase 3 of the Expanded Public Works Programme, and
- The implications of the operationalization of the Property Management Trading Entity in the Department of Public Works for transformation and job creation.

EPWP Phase 3

In Phase 3 we have declared that we will create six million work opportunities in the period 2014 to 2019. However, Phase 3 is not just about increased numbers. In Phase 3 we seek to also improve the quality and developmental impact of the EPWP projects through:

- A renewed emphasis on training to equip individuals to earn a living;
- Greater attention to the quality of the services that are provided and the new assets and facilities created in communities;
- This necessarily involves facilitating greater community participation and ownership of projects.
- Let me also make the point that this will also change the way that we report on EPWP projects - not just about work opportunity numbers, but also the qualitative impact of projects on communities.

The target of 6 million work opportunities for Phase 3, announced by the President in the State of the Nation Address and enshrined in the ANC 2014 Election Manifesto represents a sacred commitment and pledge to the people of South Africa.

As the Department of Public Works – responsible for coordinating the Expanded Public Works Programme –we have said that delivering on the EPWP targets is the number one priority of my Department over the five years of this Administration.

Let me hasten to add that EPWP is not the property of Public Works. It is a cross-cutting programme of government and involves a number of departments and all spheres of government. Examples include:

- the Working for Water Programme led by the Department of Environmental Affairs which contributes hugely to conserving the country's water resources;
- the Community Work Programme - which is led by the Department of Cooperative Governance and Traditional Affairs; and
- the social sector programmes – particularly Early Childhood Development and Home-Based Health Care - led by the Department of Social Development.

We are confident that we will deliver on the Phase 3 targets, for the following reasons:

- The EPWP has a long and successful track record of delivering 5,5 million work opportunities over the last ten years;
- The EPWP model works by mobilising all relevant government departments and agencies across all the spheres of government – and more recently involving non-profit, community and faith based organisations.
- The model was further strengthened with the establishment of the Presidential Public Employment Inter-Ministerial Committee (PPE-IMC) this year exactly to strengthen planning and coordination of programmes and resources.
- For the first two quarters of financial year 2014/15, EPWP is already ahead of target with the creation of 630,700 work opportunities. Gauteng’s contribution to this figure is: 63,700 work opportunities – representing 67% of the annual target achieved in just the first two quarters. Let me also mention that Ethekewini (with 9,111 work opportunities) and the City of Johannesburg (with 6,685 work opportunities) are the two highest performing municipalities in the country.

Two weeks ago the EPWP held a successful Summit under the theme: *“EPWP Phase 3: Towards increased community participation and developmental impacts.”*

The key purpose of the Summit was to ensure that municipalities and provincial and national government departments are able to contribute to the EPWP Phase 3 targets. The timing of the Summit was critical, given that this is the first year of Phase 3. This therefore provides us with ample time to work together towards realizing the set targets by 2019.

I need to say a few words about the Non-State, Non-Profit Organisation Sector of the EPWP. A 2011 evaluation study conducted by the internal EPWP Monitoring and Evaluation unit, listed real challenges experienced by organisations taking part in the Non-State Sector (NSS) programme.

One of the avenues for creating sustainability mechanisms was to engage with the NEDLAC Community Constituency to work with the sector in creating capacity in the EPWP NSS NPO programme to make more impact on development priorities.

The NEDLAC Community Constituency supports the programme by doing the following:

- Providing specialist advice on community targeting in-line with government priorities;
- Supporting the NSS programme by identifying suitable forums to share information on the EPWP: NSS with NPOs within the structures of the NEDLAC Community Constituency;

- Supporting the sector to comply and perform in line with the ministerial determination.

There have been challenges – but there will be further engagements to see how the collaboration with clear deliverables can be taken forward.

Let me add some good news from the Non-Profit Sector: collectively they exceeded the 2% target for participation of people with disabilities, achieving over 3% in year 2013/14.

But this success also brings into sharp focus our underperformance in the other EPWP sectors. For year 2013/14, the level of participation by people with disabilities across all the sectors was only 0.46% (roughly half of one percent). In other words we achieved only a quarter of the target. It's simply not good enough.

Colleagues, we are all aware that we are coming out of National Disability Rights Awareness Month. Indeed, last week, we launched the Department of Public Works Disability Advisory Council – and yet as EPWP we continue to under-perform on this crucial target. I have requested the EPWP to study the example of the Non-Profit Organisations to see what they are doing right – and to develop a plan to take us forward.

I am pleased to see that the Tshepo 500 000 programme builds in this priority from the start – along with a commitment to all groups vulnerable to unemployment.

We need to remind ourselves that EPWP is much more than just the work opportunity statistics reported. Indeed the testimonies of the EPWP participants tell the story:

- Re-awakening the dignity that comes with work and the ability to contribute to household income;
- Acquiring skills and re-entering the job market, in some cases;
- Providing an opportunity to access education;
- And providing hope for a better future.

I am convinced that EPWP has a major role to play in consolidating the base for advancing socio-economic transformation in this second radical phase of transition.

PMTE

2014 has been a decisive year in the history of the Department of Public Works. In 2014 we began to see the positive results of our Turnaround Strategy. Key indicators are the following:

- **Clean audit project** – DPW received an unqualified audit; PMTE moved from multiple disclaimers to a qualified audit. Let me share with you how we succeeded – very much in the spirit of Tshepo 500,000:
 - Of necessity, we insourced professionals where we lacked skills;

- But, as part of the ‘Clean Audit’ tender, we insisted on employing some 96 unemployed commerce graduates for training, mentorship and work experience.
 - These were the ‘troops on the ground’ that we used to uncover irregular expenditure – under close supervision.
 - They were subject to performance assessment – which indicated that over 70% were operating at a high level.
 - 43 have remained in the Department on short-term contracts and will be applying for permanent posts in the usual way.
 - Nearly all the rest have been employed by the private sector – as a result of the work experience they obtained.
 - We are intending to use the same model in the construction and property sectors.
 - The point is that we have human resources sitting at home getting demoralised. If you give these young people an opportunity they will surprise you!
- **Lease audit** – in 2014 we have re-taken control of the leases – after a long period of scandals;
 - **Immovable Asset Register** – for the first time in its history DPW is moving towards a credible and comprehensive register of its properties. 98% of these have been physically verified.

We are now in the second phase of the Turnaround where we improve the way that DPW does business. Key programmes during this phase are the following:

- Operationalisation of the PMTE – to ring-fence and professionalise management of the state’s property portfolio;
- Operationalisation of the Governance Risk and Compliance Branch – to spearhead anti-corruption and to enhance planning, monitoring and evaluation to improve performance and service delivery;
- The enhancement of core mandates of the DPW:
 - Policy regulation and in partnership with our entities - the charter councils and all relevant stakeholders - a renewed and sustained programme of action to transform the Built Environment – the construction and property sectors – as part of the second more radical phase of transition to democracy. *(This must include support for black and female contractors and property practitioners; as well as the production of black professionals and artisans in the Built Environment disciplines. We cannot be complacent that only 25% of built environment professionals are black.)* I see the same concerns and objectives contained in the Gauteng TMR Programme.
 - Coordination and leadership of the wider public works family in the provinces, in line with the concurrent mandate of the Department – and to enhance consistency and service delivery.

Let me say more about the implications of the operationalization of the PMTE for transformation. Now that we are effectively taking control of this massive state property portfolio, we intend to use the portfolio for job creation, to raise revenue and to promote transformation. Let me give some examples:

- To maintain these 120,000 buildings we will be encouraging co-ops and SMMEs to take on this responsibility. The individuals concerned will be able to earn a living – and at the same time we maintain the value in state buildings.
- However, many of these buildings are not being used currently. As Public Works we want to work with emerging black estate agents to manage these buildings on our behalf and to rent them out to the market. So this is an income for the emerging estate agents – and income for the state to maintain its properties.

In conclusion, I want to assure Gauteng of the support of the national Department of Public Works as you implement your programme for radical Transformation, Modernisation and Re-industrialisation of Gauteng and to create work and training opportunities through Tshepo 500 000. I want to assure you that you will find a ready welcome at Public Works should you want to engage us on possible further areas of cooperation.

Truly, working together we can achieve so much more.

I thank you.