

## **POLICY AND BUDGET SPEECH BY MEC HONOURABLE SIPHOKAZI LUSITHI FOR THE DEPARTMENT OF PUBLIC WORKS & INFRASTRUCTURE 2025/2026 FINANCIAL YEAR**

Honorable Speaker and Deputy Speaker;

Honourable Premier and Members of the Executive Council;

Honourable Members of the Provincial Legislature;

Honourable Chairperson of the Portfolio Committee;

Director General of the EC Province;

Head of the Department of Public Works and Infrastructure;

Government Officials;

Inkosi zelizwe lakuthi;

Our Social Partners and Stakeholders;

Distinguished Guests;

Ladies and Gentlemen

**Molweni;**

**Sanibonani;**

**Dumelang;**

**Goeie More;**

**Good Morning**

## INTRODUCTION

**Honourable Speaker**, allow me to begin by extending my heartfelt greetings to everyone present in this esteemed House and, most importantly, to the people of our province. It is both a profound honour and a great responsibility to stand before you today to table the 2025/2026 Policy and Budget Speech of the Department of Public Works and Infrastructure.

We regard this moment as more than just a procedural obligation; it is an opportunity for us as a Ministry to engage meaningfully with the people of the Eastern Cape. It is a time for reflection on our progress, our challenges, and our collective vision for the future. Most importantly, it is a moment to outline our concrete plans for uplifting our communities through Infrastructure Development and Coordination, a critical pillar in our fight against poverty, unemployment, and inequality.

The tabling of this policy speech comes at a pivotal moment when the people's government is taking bold steps to assert public capital as a driver of economic growth. During the 2025 State of the Nation Address (SONA), President Cyril Ramaphosa emphasised the strategic importance of infrastructure in shaping a thriving and inclusive economy. He stated: ***"To achieve higher levels of economic growth, we are undertaking massive investment in new infrastructure while upgrading and maintaining the infrastructure we have."***

The President further affirmed: ***"We will ensure public ownership of strategic infrastructure for public benefit while finding innovative ways to attract private investment to improve services and ensure public revenue can be focused on the provision of public services."***

These assertions by the President provide a clear direction for our work; Infrastructure is not just about bricks and mortar. It is about laying the foundations for economic opportunity, social justice, and human dignity. It is about roads that connect people to jobs, schools that empower the next generation, hospitals that provide life-saving care, and government buildings that serve communities with efficiency and integrity.

**Honourable Members**, as the Eastern Cape, we recognise that a well-planned and coordinated infrastructure programme is essential for economic development, service delivery, and job creation. It is a catalyst for reversing historical inequalities and ensuring that no one is left behind.

Our work is guided by national and provincial development frameworks that set the course for an inclusive and transformed economy. The Provincial Medium-Term Development Plan calls for accelerated infrastructure investment to stimulate economic activity. Similarly, Eastern Cape Vision 2030 recognizes infrastructure as a foundational pillar for sustainable growth and improved service delivery.

This Policy and Budget Speech comes at a time of significant economic and political transition for both the Eastern Cape and South Africa as a whole. The global economic downturn, coupled with domestic fiscal constraints, has placed immense pressure on government spending. However, we refuse to be defined by challenges, we will be defined by our solutions.

We remain committed to building a capable, developmental state that is people-centered and resolute in the fight against unemployment, poverty, and inequality. Our infrastructure agenda is not simply about constructing buildings; it is about creating an economy that delivers real and tangible change to the lives of our people.

**Somlomo Obekekileyo**, the 2024/2025 financial year presented us with significant challenges, particularly concerning litigation. The Department faced legal actions that resulted in court judgment compelling us to pay substantial settlement. These legal setbacks not only drained our fiscal resources but also had a devastating impact on service delivery, stalling critical projects, adversely affecting workers and frustrating our communities.

We take full accountability for these challenges, and we are committed to ensuring that such setbacks do not define our future. We acknowledge that these lessons must serve as stepping stones toward a more accountable and effective Department. Going forward, we will be more vigilant, more proactive, and more strategic in managing legal risks to safeguard service delivery.

**Honourable Speaker**, as we chart the way forward, we do so with a bold vision, one that reaffirms the Department of Public Works and Infrastructure as the leading agent of economic development through strategic infrastructure investment.

We will forge ahead with determination, driven by the understanding that every road we build, every school we construct, and every hospital we renovate is a step toward a more just and prosperous society. We must rise above challenges and reaffirm our commitment to building an Eastern Cape that thrives on a foundation of world-class infrastructure.

### **STRATEGIES TO ADVANCE AND EMPOWER DESIGNATED GROUPS**

**Madam Speaker**, as the Department, we are responding to the call to advance those who were previously excluded and marginalized in our society, particularly women, by taking a deliberate stance to address the imbalances and injustices of the past. As I stand before you today, the total number of permanent **employees in the Department is 1 579. Out of this total workforce, Women employees are at 52% as against 48% of Men.** Also worth noting, is the fact that in terms of **Equity, 57% of SMS** positions are filled by Women as compared to 43% Men in the SMS level.

**Honourable Members**, the Department is not impervious to issues of **Empowerment and Transformation** of designated groups. To this end, we are implementing the **Beneficiation Strategy for Designated Groups** which seeks to mainstream and empower Women, Youth and Persons with Disabilities. Progress made in implementing the strategy shows that out of **R1.4 billion** awarded to service providers from April to December 2024, **R223 million** was awarded to Women owned Companies. Youth owned companies benefited to the tune of **R183.8 million** and companies owned by Persons with Disabilities were awarded contracts to the value of **R4.1 million.**

**Madam Speaker**, we are aware that there is another category of Designated Groups which relates to Military Veterans. The empowerment of Military Veterans needs urgent attention, and the Department will include this Designated Group in the implementation of the MSME Strategy and Integrated Contractor Development Programme (ICDP).

**Honourable Speaker**, coming to the challenging issue of funding the mandate of the Department, in the 2024/2025 financial year the budget allocation for the Department of Public Works and Infrastructure was **R2 624 billion**, and for the 2025/2026 financial year the allocation has remained almost stagnant at **R2 654 billion**. As the Department we are mindful of the constrained fiscal envelope, it must however be stated for the record that the budget allocation for 2025/2026 has not increased in real terms. Notwithstanding the funding limitations, the Department will enhance its revenue enhancement, generation and collection through its property portfolio. As the Department continues to entrench the twin task of transformation and **Revenue Generation, DPWI will in this Financial Year** release 100 properties for long-term leasing.

**Honourable Speaker**, in strengthening governance and accountability, the Department continues to demonstrate maturity in Administration and Financial Management. Key to note in this regard is that the Department obtained an **Unqualified Audit Opinion with no matters of emphasis**. Also worth noting is the fact that the Department's **Financial Statements were free of material misstatements**. However, of serious concern is the continued inability of the Department to keep complete and reliable performance information. DPWI remains committed to achieving a Clean Audit outcome through a vigorous implementation of the Audit Intervention Plan.

## **ASSERTING DPWI AS AN IMPLEMENTING AGENT OF CHOICE**

**Madam Speaker**, in this 7<sup>th</sup> term of Administration, the Department will demonstrate its maturity as an '*Implementing Agent of Choice*'. The Department is mindful of the fact that there are numerous players in the infrastructure delivery space and has taken deliberate steps to assert DPWI's role in infrastructure planning, delivery and investment. Key in this regard is the manner in which the Department has enhanced its professional and technical capabilities. The Department now has a cohort of **73 Professionals**, with a ratio of utilization of internal and external Professionals, sitting at **50/50. The 73 professionals are constituted as follows:**

- Architects 13
- Engineers 22

- Construction Project Managers 15
- Quantity Surveyors 14
- Town Planners 6
- Professional Valuers 3

**Honourable Speaker**, the Department prides itself in its utilisation of its internal capacity whilst implementing these capital projects. For example, in Mqanduli Cluster Offices, DPWI has successfully executed the project through its internal professional teams (Architects, Civil and Structural Engineers, Quantity Surveyors, Project Managers, Electrical and Mechanical Engineers). These Professional teams were involved from the conceptualisation of the project, designs as well as the construction monitoring of this project. This has saved the Department 18% of the total project cost, and this translates to **R25 million** in monetary value. These are the kinds of pockets of excellence that the Department aims to replicate in its infrastructure delivery model, in the 7th Term of Administration.

To enhance the Department's ability to maintain State Facilities, DPWI has started to implement the Hybrid Total Facilities Management Solution which combines elements of in-house and out-sourced facilities management to create a tailored approach. To demonstrate commitment to strengthen our maintenance regime, the Department has Artisans who are spearheading efforts to avert the deterioration of State Facilities. We have a critical pool of Artisans in our Depots who perform routine, preventive and corrective maintenance of our State Buildings. The Customer Business Call Centre is operational and allows our clients to log defects which are being attended to by this pool of Artisans and we are proud to state that these Artisans have managed to refurbish the houses of our Prestige Clients.

For the 2025/2026 Financial Year, an amount of **R38 million** has been allocated for repairs and maintenance. Included in the allocated Budget, is the maintenance and repairs of Plant (such as lifts, backup generators and electrical transformers), renovation of DPWI houses and office accommodation across the Province.

The construction of Makhanda Training and Development Centre will enable the Department to continuously provide Built Environment skills that will support a proactive Maintenance Programme across the Province. The implementation of the Makhanda project will foster skills development and economic growth through the training of Artisans. The Makhanda Training and Development Centre will offer training of Artisans across the Province in trades such as Electrical, Plumbing, Carpentry, Plastering, Painting and Brickwork.

The Makhanda project is implemented in a phased approach with an investment of **R11,1 million** for phase 1 and progress is at 99% completion. For phase 2, an amount of **R11 million** has been allocated and is at 99% completion. Phase 3 has an investment of **R27,3 million** and is at 80% completion. The completion of phase 3 is scheduled for November 2025.

DPWI will commence with the refurbishment of **Cofimvaba Depot in Chris Hani District** with an allocated amount of **R1.5 million** for the acquisition of materials. The project will be implemented by In-house Maintenance teams of Artisans and is scheduled to be completed in March 2026. The refurbishment of Cofimvaba Depot is in line with the Department's plan of establishing maintenance depots to assist with preventative maintenance across the Province.

To demonstrate our commitment to proactive maintenance, the Department has augmented its **Technical Capacity** across the **8 Districts** as follows:

There are **264 Artisans** in different trades that are placed across Depots of our Districts. This will increase our response rate to Client Department's maintenance requirements and needs, which will inform the **Maintenance Master Plan** through DPWI & Other Portfolio.

DPWI also has **88 Building Inspectors**, who provide Quality Assurance on Occupational Health & Safety, Electrical Installations and General Buildings in State-Owned Facilities, in collaboration with Facilities Management.

The Department will continue to attract additional Professional and Technical staff despite financial constraints as part of its recruitment drive. In this regard, the Department will prioritise addressing the under-representation of Women and Persons with Disabilities as we recruit **33 Professionals and Technical funded vacancies** during the 2025/2026 Financial Year.

**Somlomo Obekekileyo**, in an effort to recognise the value and wellbeing of our employees, the Department conducted an Employee Engagement Survey to gauge employee satisfaction. The results of the Survey led to the development of the Culture Change Programme to address recommendations emanating from the Survey. This Programme was launched in August 2024 and rolled out across the Districts of the Department.

Furthermore, the Culture Change Programme seeks to value our Human Capital by cultivating a high performing, citizen-centric Organizational Culture. This Programme is centred on four pillars, namely:

- Shared Vision and Values
- Operational Excellence
- DPWI as an Employer of Choice, and
- Batho Pele Principles

The Department will implement a number of interventions in the 2025/2026 Financial Year that will create an enabling environment for the organization and its employees to promote a resilient, ethical and capable workforce. DPWI is unwavering in its commitment to **Employee Well-being** and is taking bold steps to ensure every employee thrives physically, mentally, and emotionally in the workplace. The Department has strengthened its Employee Wellness Programme by expanding services to include on demand confidential counseling for all employees across Districts through Life Health Solutions.



## **DPWI's PRIORITY AREAS FOR THE 7<sup>TH</sup> TERM OF ADMINISTRATION**

In aligning with the Provincial Medium-Term Development Plan, the Department has identified the following **9 Priorities** that would position it as a '**Nerve Centre for Infrastructure Delivery, Coordination and Investment**':

- Strengthening of Integrated Infrastructure Delivery through Capital infrastructure and Maintenance projects
- Accelerating the coordination of infrastructure development through Transversal Infrastructure Coordination (TIC)
- Enhancement of Revenue Generation
- Providing support to MSMEs through procurement and building Material manufacturing and supply.
- Sustainable Work Opportunities through EPWP
- Availing of land and properties to private investors for economic development and investments
- Use of Government land and buildings as a catalyst for spatial transformation and social justice
- Availing / Releasing of coastal land parcels and properties as a contribution to the Ocean's Economy and Eastern Seaboard initiatives
- Continuation of building DPWI capacity and capability, focusing on Mainstreaming, Business Modernisation and Built Environment Skills Pipeline

**Honourable Members**, the implementation of Department's Priorities of the 7<sup>th</sup> Term of Administration will be undergirded by the strengthening of **Infrastructure Coordination, Social Infrastructure Delivery, Custodianship of Immovable Assets, Enterprise and Skills Development as well as Job Creation**.

## THE JOINT MINISTRY – IMPLICATIONS FOR PEOPLE OF THE EASTERN CAPE

**Honourable Members**, you will all recall that at the onset of the 7<sup>th</sup> Term of Administration, the Premier announced the reconfiguration of some Ministries. As a result of that re-arrangement, a Ministry of Public Works, Infrastructure and Human Settlements was created. The rationale for the reconfiguration is to ensure that infrastructure delivery and coordination in the Province is given greater impetus as a lever for socio-economic growth. Subsequent to this pronouncement and to demonstrate its practical meaning, the two Departments identified **9 tangible Areas of Collaboration** that would maximize the synergies and impact of Infrastructure development in the Province, as follows:

- Devolution of State-owned properties to ensure rightful custodianship
- Identification of State-owned residential properties that can be availed at affordable rentals to accommodate the Citizens
- Availing and repurposing of State-owned properties for use as Safe Houses to accommodate survivors and victims of Gender Based Violence and Femicide (GBVF), LGBTQI+ and other Community Development Programmes
- Contribution to the Oceans Economy and Eastern Seaboard Projects
- Integration of Office Precincts (eMaxesibeni Cluster Office, Mqanduli Cluster Office, and Bhisho Office Precinct) with the Mixed-Mode Development Model as part of building sustainable
- Human Settlements, focusing on Secondary Cities and Small Towns.
- Transformation of local Buildings Material Manufacturers and Suppliers
- Collaboration through Expanded Public Works Programme (EPWP)
- Micro, Small and Medium Enterprise (MSME) support and development
- Collaboration on Social Facilitation Services

In response to the identified collaboration areas, the Department will advance the development of a Mixed-Mode Development Model to ensure the integration of Cluster Office Development

with Human Settlements in secondary cities and small towns, ensuring balanced urban growth and revitalization.

The Department will also give meaning to these Areas of Collaboration, by translating them into Departmental plans and specific interventions that are measured, tracked and reported on, so that both Departments account for the strides they have made through this collaboration to advance service delivery.

## **INFRASTRUCTURE COORDINATION**

**Madam Speaker**, in the previous Policy Speech, DPWI committed to provide support, monitor and report on the performance of infrastructure projects for four Departments, namely: **the Department of Human Settlements (DHS), Department of Education (DoE) the Department of Transport (DoT) and the Department of Health (DoH)**. In keeping to this commitment, DPWI is the driver of Technical Support and provided Secretariat Services to the Premier's Infrastructure Coordinating Committee (PICC).

As a result of the provision of technical support to the PICC, there have been improvements in cumulative expenditure of the combined adjusted budget of these four Departments from **90.63%** in the 2022/23 Financial Year to **93.13%** in the 2023/2024 Financial Year. The four (4) Departments were also supported in implementing a **total of 2 639 projects which created 34 938 jobs, developed 334 MSMEs**, and provided training opportunities to **194 learners and Artisans** in the Built Environment fields of study as at the end of January 2025.

Further, the Transversal Infrastructure Coordination yielded improvements in overall adherence to infrastructure prescripts such as alignment to Infrastructure Delivery Management System (IDMS) and Framework for Infrastructure Delivery & Procurement Management (FIDPM), and the implementation of early warning interventions in order to fast-track infrastructure delivery and avert the risk of under-expenditure and possible loss of Provincial funds to the fiscus.

In addition to this, the Province with the support provided by DPWI Transversal Infrastructure Coordination has replaced the outdated Provincial Infrastructure Development Framework

(PIDF) of 2014 with a newly approved Eastern Cape IDMS Protocol of 2024, a document which serves to formalize the intergovernmental roles and responsibilities as well as best practices in the Infrastructure delivery in the Province.

**Somlomo Obekekileyo**, for the 2025/2026 Financial Year, the Department will convene the **Inclusive Economic Growth** Key Integration Area which will ensure that infrastructure contributes meaningfully to Economic Growth. Furthermore, DPWI will strengthen its Transversal Infrastructure Coordination function by extending its Technical Support to other Infrastructure Institutions at a Provincial and Local Government space through the **Infrastructure, Human Settlements and Broadband (IHSB)** working together with the Department of Human Settlements. The Department will further assert its role in Provincial Infrastructure Coordination by working closely with the other oversight departments such as the Office of the Premier and Provincial Treasury. In addition, the Department will undertake Infrastructure Research and contribute towards the use of innovative sustainable building technologies in infrastructure development.

## **SOCIAL INFRASTRUCTURE DELIVERY**

**Somlomo Obekekileyo**, the Department delivers its capital and maintenance infrastructure projects through Buildings Infrastructure Programme, that has three (3) designated Portfolios. These are DPWI & Other Departments Portfolio, the Health Portfolio as well as the Education Portfolio.

### **DPWI and OTHER DEPARTMENTS PORTFOLIO**

**Madam Speaker**, the Department has allocated a total amount of **R349 million** in the 2025/26 Financial Year to complete the following projects: Emaxesibeni Cluster Offices Block A in Alfred Nzo District Municipality; Mqanduli Cluster Offices in OR Tambo District Municipality; Makhanda Artisan Training and Development Centre in Sarah Baartman District Municipality as well as Department of Agriculture Office in Ngqamakhwe in Amathole District Municipality.

To date, progress on these **Capital Infrastructure Projects** is as follows:

- Construction of **Mqanduli Cluster Offices**, with an investment of **R156 million**, is at **68%** and will be completed in September 2025
- The overall progress at the **Makhanda Artisan Training and Development Centre**, with an investment of **R27,3 million**, is at **90%** and the project is scheduled to be completed by June 2025
- Upgrades and Additions for **Department of Agriculture Service Office in Ngqamakhwe**, with an investment of **R21,8 million**, is at **79%** and the project will be completed in June 2025
- **EMaxesibeni Cluster Offices**, the project has been split into two (2) Phases for construction. Phase 1 is Civil Works, with an investment of **R49 million** and progress to-date is 85%. In Phase 2, the Construction of Block A, with an investment of **R95 million**, is at **70%**. The project will be completed in March 2026

**Honourable Members**, the construction of eMaxesibeni Block A, Makhanda Artisan Training and Development Centre and Mqanduli Cluster Offices has resulted in the participation of **39 MSMEs** with an investment of **R50 million** yielding to the creation of **256 jobs**. Moreover, the construction of these high-impact projects has unlocked opportunities for **18 Built Environment Graduates** and **22 Artisans** benefiting from their respective Districts. A total number of **46 Women, 107 Youth** and **3 Persons with Disabilities** have benefited from the construction of these high-impact projects.

**Madam Speaker**, the Department has accelerated the construction of Cluster Offices to reduce leasing and centralise the provision of services. The construction of these projects will drive the transformation of the Eastern Cape, foster Small-Town Revitalization, unlock new economic opportunities, and pave the way for modern Cities that will reshape the Province's landscape. Indeed, the Eastern Cape's time to thrive is now!

In the 2024/2025 Financial Year, the Department was tasked with the responsibility of accommodating the expansion of the Legislature with regard to residential accommodation as

well as the office accommodation, as the numbers increased from 63 to 72 Members of the Legislature in the 7<sup>th</sup> Term of Administration. In the preceding Financial Year, the Department undertook various projects for the **Prestige Portfolio**. These include:

- The **Reconfiguration of Eastern Cape Provincial Legislature (ECPL) Chamber** which entails renovations and upgrading of the ECPL Chambers, provision of the kitchenette as well as minor renovations of the existing offices. The project is at **98%** and will be completed in May 2025.
- Renovations and upgrading of existing **Ministerial Houses** for Members of the Legislature, in East London, Qonce and Bhisho, are progressing as anticipated. These renovations are at **85%** and will be completed in April 2025. In this regard, upgrades and renovations of **30 Ministerial Houses to accommodate 30 Additional Members**, have been completed. Reconfiguration of the Eastern Cape Provincial Legislature (ECPL) Chamber to accommodate Persons with Disability has also been completed.
- The following projects are still under construction:
  - Conversion of Ministerial Houses to Prestige Apartments, thereby increasing residential accommodation space
  - Additional ECPL Offices, to increase Members' office accommodation, has commenced and progress is at 15% and will be completed in December 2025.

**Honourable Members**, the Department continues to respond to **Energy Insecurity** by deploying **solar** and **energy saving initiatives**. The Department has installed Solar Panels in the following Offices:

- Old Ford House in Gqeberha has been completed
- Albertina Sisulu Building in Qonce is 98%
- FNB Building in Bhisho is 95% complete
- Old Disaster Centre in Bhisho is 95%
- Mt Frere Social Cluster Building is 90% complete

- Maluti Offices in Matatiele is 85%

The installation of solar panels will enable **Business Continuity**, so as to avert the challenges posed by power cuts and the theft of electrical cables.

## **PROGRESS ON THE ESTABLISHMENT OF THE BHISHO PRECINCT**

**Honourable Speaker**, we are pleased to report that the Department is making steady progress in advancing the Premier's 2025 State of the Province Address announcement regarding the commencement of the Bhisho Precinct construction during this Financial Year. This flagship initiative represents a bold and transformative vision for government infrastructure and service delivery in our provincial capital.

In alignment with our commitment to explore alternative innovative and sustainable infrastructure funding models, the Department is implementing the Bhisho Precinct through a blended model that transitions from a Private-Public Partnership (PPP) to a Public-Public Partnership (PUP). This approach has enabled the appointment of the Coega Development Consortium (CDC) as the implementing agent.

On the 30<sup>th</sup> of April 2025, the Provincial Government will officially hand over the site to the CDC for site establishment, with construction set to commence in the 2025/2026 financial year. This site handover marks a critical milestone, not only as the physical start of the project but as a tangible step towards turning the Premier's vision into a lived reality for the people of the Eastern Cape.

The Bhisho Precinct is more than just a construction project; it is a catalyst for economic development and social transformation. The construction phase and post-construction operational phase will unlock significant economic opportunities, particularly for local MSMEs, while creating much-needed employment opportunities for our people. Through inclusive procurement and job creation strategies, this initiative will foster local economic development, empower communities, and contribute to building a capable and developmental state.

**Honourable Members**, the progress made in the Bhishe Precinct reaffirms our commitment to using infrastructure as a driver of inclusive growth and a tool to bring government closer to the people.

## **DEPARTMENT OF HEALTH PORTFOLIO (DOH)**

The Department of Public Works & Infrastructure is dedicated to building and maintaining robust infrastructure projects, particularly in the healthcare sector. DPWI's aim is to ensure that all citizens have access to high-quality state-owned facilities that are well equipped and comply to applicable Norms and Standards.

The Department will continue with key projects to enhance Health Infrastructure Development. These include:

- The Department is constructive in the '**New Ideal Clinic**' in **Balfour** in the **Amathole District**, with an investment of **R52 million**. This will upgrade the clinic's facilities and improve healthcare services for the local community. The Project is scheduled to be completed by **December 2025**.
- The upgrade of **All Saints Hospital Water and Sanitation Upgrade** in **Chris Hani District** comprises of containerized buffer tanks and the sewer pond with high security fencing. These upgrades are estimated at **R60 million**. The project is scheduled to be completed in October 2025.
- The Department is also making considerable strides with the **Nessie Knight Hospital** in **OR Tambo District**, with an investment of **R105 million** to fund the major upgrades and additions. The project will be completed in December 2026.
- The Department of Public Works and Infrastructure will continue to monitor the progress of key capital projects, which will significantly improve our healthcare infrastructure. Among the prominent of these projects are Major Upgrades and Additions to **Madwaleni Hospital** in **Amathole District**, which commenced in May 2024 with an investment of **R560 million**. The scope entails upgrading of the existing hospital, construction of new wards, driveways and staff accommodation. Overall



progress to date stands at 30%. The project is scheduled to be completed in March 2029.

- The appointment of the contractor for the **Greenville Hospital upgrades** in the Alfred Nzo District signifies a critical milestone in our commitment to improving healthcare infrastructure. This project, with an investment of **R 160 million** is set to begin construction before the end of this month (April 2025). The project is scheduled to be completed in December 2027.
- The Department is constructing **Mathubeni Clinic** in **Alfred Nzo** at a cost of **R8 million**, and the progress is at 90% complete. The project will be completed in June 2025.
- The upgrading of Sewer Treatment Plant at **Taylor Bequest Hospital** in **Joe Gqabi District** commenced in September 2024. Overall progress to-date stands at 15%. The project is estimated at **R65 million**. The scope entails the upgrade of existing water treatment works plant comprising of containerized buffer tanks and the sewer pond with high security fencing. The project is scheduled to be completed in June 2026.
- The contractor for the **Construction of Cebe Clinic** in **Amathole District** has been appointed and the project has an investment of **R60 million** and entails construction of the Ideal Clinic including a nurses' home. The construction of the project is set to begin in May 2025.
- **Upgrading of Frontier Hospital Staff Accommodation** in **Chris Hani** is a 34 month contract, commenced construction in February 2023. The overall progress to date is at 60% and scheduled to be completed in December 2025. The project is estimated at **R80 million**. The scope entails re-purposes of old structures into staff accommodation.
- **Upgrading of Lady-Grey Hospital** in **Joe Gqabi District** commenced construction in October 2024. The project is estimated at **R52 million**. The scope entails construction of a New Outpatient Department (OPD); Accident & Emergency (A&E); Erection of New Security Fence, Installation of Back-up Water Tank; and minor repairs to the existing Hospital. The project is scheduled to be completed in December 2026.

**Honourable Members**, the Department is driving tangible economic benefits through infrastructure projects. To date, **56 MSMEs** have benefited directly, with **R45 million** being invested through sub-contracting opportunities. This is a clear demonstration of our commitment to supporting small enterprises and fostering inclusive economic participation. These projects have also created **210 jobs** for both skilled and semi-skilled workers. This means more families now have a steady income, and livelihoods are improving.

## **EDUCATION PORTFOLIO (DOE)**

**Honourable Members**, the Department is also spearheading the construction of school infrastructure for the Department of Education, in line with the applicable Norms and Standards. This is our contribution to the improvement of the condition and quality of our schools which will ultimately lead to better learner outcomes.

In the last Policy Speech, the Department committed to complete six (6) projects and progress in this regard is as follows:

**Bethelsdorp Senior Secondary School**, valued at **R86 million**, has achieved practical completion and full occupancy of the completed structures is scheduled for 31 May 2025.

- **Mhlontlo Junior Secondary School** in **Joe Gqabi District**, estimated at **R27 million**, and progress is **at 94%** will be achieving practical completion by 30 June 2025.
- **Phambili Mzontsundu Senior Secondary School** in **Joe Gqabi**, estimated at **R50 million**, has reached practical completion despite being delayed by challenges related to municipal water connection. The Department of Education engaged Amatola Water Board to assist with the provision of water infrastructure and the school should take occupation by 30 April 2025 **as the current progress on site is at 98%**.
- **Lingcom Primary School** in **Sarah Baartman**, valued at **R87 million**, is at 98% completion and is scheduled to take practical completion by 30 June 2025.

- **Asherville Senior Secondary School**, estimated at **R90 million**, is also progressing well at 98% completion with practical completion also set for 30 June 2025.
- **David Livingstone Senior Secondary School in Nelson Mandela Bay**, valued at **R109 million**, is at 95% and will be completed by 30 June 2025.

The Department continues to make meaningful socio-economic contribution through investment in these projects with **employment opportunities for 269 local community members** of which **64 are Women and 94 are Young people**. Furthermore, **R31,4 million** was utilised to empower and harness the skills and economic empowerment of local MSMEs through the identified construction work packages.

**Somlomo Obekekileyo**, the Education Portfolio, will continue to implement the following projects during this 2025/2026 Financial Year:

- **Addo Primary School** in **Sarah Baartman District** at a value of **R66,3 million** and is at 65% completion. Practical completion is scheduled for 30 November 2025.
- **Maqoma Junior Secondary School** was awarded to the value of **R7,3 million** and has reached 70% progress on site while the targeted completion date is 31 August 2025.
- **Upper Corana Secondary School** (Phase 1 & 2) in **OR Tambo District**, with Phase 1 valued at R41 million, is at 56% complete and will be completed by 30 November 2025 in order to make way for Phase 2, valued at R68 million to proceed.
- **Nkopane Junior Secondary School** in **Joe Gqabi District** is valued at **R50,8 million**. The site handover was done in February 2025 and will be completed by February 2027.
- **Nkwezana Primary School** Phase 1 in **Buffalo City Metropolitan Municipality**, valued at **R57,2 million**, is 88% complete and the project will reach practical completion by 31 May 2025.

The projects below are under planning and construction will commence in the 2025/26

Financial Year:

- **Arcadia Senior Secondary School Phase 2 in Nelson Mandela Bay Municipality** valued at **R125,3 million**.
- **Kwa-Ntshunqe Junior Secondary School in Amathole District Municipality** valued at **R59,1 million**.
- **Dumrana Senior Secondary School in OR Tambo District** valued at **R71,5 million**.
- **Zwelenqaba Secondary School in Amathole District Municipality** valued at **R62 million**.
- **Katiana Primary School - Phase II in Amathole District Municipality** valued at **R47,8 million**.

The commencement of these planned projects is expected to yield an average of **130 employment opportunities** for members of the surrounding communities as well as benefit a minimum of **25 MSMEs** to the value of **R53,8 million** through the allocation of work packages. This will also result in improvements in the teaching and learning environment and reduce classroom overcrowding burden faced by the Client Department.

## **CUSTODIANSHIP OF IMMOVABLE ASSETS**

**Somlomo Obekekileyo**, the Department continues to play a pivotal role as the custodian of state-owned immovable assets, and we fully acknowledge that the property sector in South Africa remains largely untransformed. In pursuit of our Transformation Agenda, we are actively reshaping property ownership patterns in favour of inclusivity, equity, and redress.

We are proud to report that 66% of our lease portfolio is now occupied by Black landlords, a significant step in driving meaningful participation and ownership in a historically exclusionary sector.

In our revenue generation initiatives, the Department exceeded its transformation targets by achieving 100% participation by Black developers, against a target of 65% for the 2024/25 financial year. This milestone is a clear demonstration of our unwavering commitment to economic transformation through state property portfolio.

By the end of the 2024/25 financial year, the Department had successfully concluded four long-term lease agreements, collectively projected to generate **R82 million** in revenue over 30 years. In addition, five short-term lease agreements were finalized, with projected revenue of **R11 million** over 9 years and 11 months for telecommunications infrastructure, and **R1.4 million** over five years for outdoor advertising billboards.

As part of our continued contribution to the Oceans Economy and the Eastern Seaboard Development, the Department initially earmarked Erf 1641 in Port St Johns for the establishment of a Maritime Centre, in alignment with the Department of Transport's initiatives. However, this site has since been reprioritized for the development of SAPS facilities and other related service delivery infrastructure. Despite this shift, the Department remains fully committed to supporting the Provincial Oceans Economy Programme by identifying and availing alternative strategic properties. This reaffirmation reflects our dedication to driving economic development and strengthening interdepartmental collaboration.

The National Department of Public Works and Infrastructure (NDPWI) is currently finalising the compilation of Spatial Economic Development Frameworks (SEDFs) for the Small Harbour Development Programme. Among the 22 sites identified nationwide, the Eastern Cape stands to benefit under the Tier 1 Harbour category, with Port St Johns earmarked for development. Once the SEDFs are finalised, the Department will prioritise the identification of strategic properties within the designated development precinct to support a range of proposed uses, including facilities for the fishing industry, retail, office spaces, residential developments, and tourism-related infrastructure.

As part of our contribution to the Land Reform Programme, the Department successfully transferred **18 hectares** of land to beneficiaries of the **Dwesa-Cwebe Nature Reserve land claim** in the

Amathole District. In the upcoming 2025/26 financial year, we will further deepen our contribution by handing over **12 commercial farms measuring 36.4980 hectares** to the beneficiaries of the **Ncora Land Claim** in the Chris Hani District. This reflects our active role in accelerating land restitution and redistributive justice as the transfer affirms ownership and management of the reserve.

The Department is also working closely with the National Department of Public Works and Infrastructure (NDPWI) and the Department of Social Development (DSD) to identify state properties across the province to be utilised as safe houses for victims of Gender-Based Violence and Femicide (GBVF). While previous challenges, such as ill-defined mandates and lack of formal agreements between departments have delayed progress, we are addressing these institutional bottlenecks through strengthened intergovernmental collaboration and formalised Memoranda of Understanding (MOU).

In the 2024/25 financial year, the Department identified 845 State Domestic Facilities (SDFs) as unsurveyed. Out of these, 150 surveys have already been completed, with the remaining 695 surveys scheduled across the rest of the 7th Administration. For the 2025/26 financial year, 160 surveys are targeted for completion, reaffirming our commitment to ensuring a complete and verified immovable asset inventory.

On the **Land Audit Project**, we are pleased to announce that by the end of the 2024/25 financial year, the audit was successfully completed for 32 out of 33 municipalities, including both metro municipalities. Only Amahlathi Municipality remains outstanding, with plans in place to finalise its audit. This comprehensive audit will significantly enhance the integrity and credibility of our Immovable Asset Register, thereby improving the efficiency of decision-making related to the optimization and strategic use of state properties.

## **STRIDES TOWARDS THE METICULOUS EXECUTION OF OPERATION BRING BACK**

**Honourable Members**, In the previous Policy and Budget Speech, we committed to intensifying **Operation Bring Back (OBB)**, a decisive intervention aimed at addressing the illegal occupation and hijacking of government properties by criminal elements.

We are now actively scaling up the implementation of OBB across the province to ensure that the state decisively clamps down on this illegality. As part of this intensified campaign, the DPWI has identified **327 cases for eviction**, all of which have been handed over to legal representatives for appropriate action.

In the **O.R. Tambo District**, the Department successfully secured **eviction orders for 36 properties**. By the end of the 2024/25 Financial Year, **15 of these eviction orders had been successfully executed** a clear indication of progress in reclaiming state-owned assets.

In one notable case in O.R. Tambo, the Department evicted illegal occupants who had unlawfully occupied a government property for several years. Following this intervention, new lease agreements were concluded, and this single property is now projected to generate **annual revenue of R729,000**. This outcome underscores that Operation Bring Back is not only a corrective measure to reclaim state property, but also a strategic tool for enhancing revenue generation.

As we continue processing the remaining eviction orders, we will **ensure the meticulous execution of each case** and deepen collaboration with relevant departments and entities. Of particular importance is our partnership with the **Department of Human Settlements**, now operating under one ministry, to assess and provide **alternative accommodation for destitute individuals illegally occupying residential properties**. This integrated approach ensures that our interventions are not only lawful but also compassionate and socially responsive.

## **ENTERPRISE AND SKILLS DEVELOPMENT**

### **Enterprise Development**

**Honourable Speaker**, the Department continues to use infrastructure delivery as lever for Enterprise Development. In this regard, during the period of 2020-2024, DPWI has through its flagship **Integrated Contractor Development Programme (ICDP)** supported **121 contractors** in the form of project awards to the value **R472 million**, with **R342 million of this amount going to Women and Youth owned companies**.

Furthermore, **72 ICDP contractors** have been upgraded to higher levels in the Construction Industry Development Board (CIDB) Register of Contractors.

*Phakathi konoKontractor abangoMama abaye bakhuliswa kule nkqubo, singabalula uANDEV Group PTY/LTD kamama uFazzie Thabile, uYoshiba Construction kamama uYolanda Maposa kunye neONYX Serenity kamama uMasangwana Sivuyisiwe. Bonke aba banyukile kwi Grades zabo ukusuka ku Grade 1 ukuya ku Grade 4. Siyazingca ngalaManina akhulayo kwicandelo loshishino olusininzi lungamadoda.*

As we deepen our support and development of MSME contracting capacity in the Province, the Department has finalised the latest iteration of the ICDP database which will empower **100 Contractors**.

The Department remains steadfast and intentional in ensuring that women play a meaningful role in the male dominated Construction Sector, and we will ensure that at least **40 women** form part of the Contractor Development Programme.

**Honourable Speaker**, the Department is taking bold steps in its efforts to transform the Building Material Manufacturer and Supplier value-chain in support of Black operators in this sector. In pursuance of this transformative intervention, we will issue an expression of interest and conclude the process of identifying and supporting **5 Black Building Material Manufacturers and Suppliers** for 2025/26 Financial Year. The plan is for the Department to support **15** Black Building Material Manufacturers and Suppliers by the end of the 7<sup>th</sup> Term of Administration. The 2025/2026 intervention will focus on supporting Building Material Manufacturers and Suppliers to achieve the SABS mark for their products.

**Honourable Members**, we are aware of the fact that the Property Sector, both in ownership and management, remains untransformed. It is for this reason that the Department will, during 2025/2026 Financial Year, start the implementation of the **Property and related services Incubator Programme**. To this end, **30 participants** will be enrolled in the Incubator Programme with a view to skill them in facilities management.



## Skills Development

**Honourable Speaker**, the Department is cognisant of the short supply of artisanal skills in the Province. In order to mitigate the scarcity of artisans in the Construction Sector, the Department continues to implement its flagship **Artisan Development Programme (APTCoD)**. As I stand before you today, I am pleased to share with you that we have surpassed the target for Artisan Trainees for 2024/2025 financial year by training **1 071 Artisan Recruits**, of which **585 are Women Trainee Artisans**. From this pool, **112 APTCoD learners have passed the Trade Test** to become fully fledged artisans in the various disciplines in the Built Environment. Our Artisan Development Programme is indeed a source of pride and inspiration as I can inform this House that since the 2019/2020 Financial Year, an impressive **525 APTCoD learners have passed the Trade Test** and are now qualified Artisans, thus replenishing the much-needed Technical Skills in the Province.

**Somlomo Obekekileyo**, the Department will continue to train the existing cohort of APTCoD learners during the 2025/2026 Financial Year. We will ensure that at least 105 of these learners pass the Trade Test and receive their Red Seal Certificates.

It is also worth noting that our skills development efforts have received a further boost from MERSETA and the Office of the Premier (OTP) with a funded allocation for the training of **1 000 young people** in various skills such as Welding, Introduction to Automotive Manufacturing and Wheel and Tyre repairs.

**Madam Speaker**, we are all aware that the plight of unemployment mostly afflicts our young people. As a response to this challenge, the Department continues to implement the **National Youth Service (NYS)** programme which seeks to empower young people who are not in employment, education and training (NEETs). In the 2024/25 Financial Year, the Department has recruited and is training **226 NYS learners that are exposed to different trades to become Assistants to Artisans**.

Out of these, **55 have passed the Recognition of Prior Learning (RPL)** so that they can be upskilled and articulate into the APTCoD programme. For the 2025/2026 Financial Year, the Department will train 150 young people under the NYS programme.

**Honourable Members**, in 2024/2025 Financial Year, the Department enrolled young people into its Development Programmes as follows: **110 Graduate Internship** opportunities were created, **86** students were placed under the **Student Internship and Work Integrated Learning** programme, and 30 school dropouts and matriculants were afforded training through the Structured Development Programme. It is also significant to mention to the House that the scope of empowerment within our Youth Programmes is inclusive of other designated groups, such as Women and Persons with Disabilities.

**Madam Speaker**, for the 2025/2026 Financial Year, the Department has set aside **R6,3 million** for the continuation of the existing **30 External Bursars under the auspices of the Dr Mxolisi Majombozi Bursary Fund**. The Bursary Holders pursue studies in the Built Environment and Property Sector in the following disciplines: Civil, Mechanical and Electrical Engineering, Architecture, Quantity Surveying, Town and Urban Planning, Real Estate as well as Construction Management. We are confident that this Skills Pipeline will help to drive Eastern Cape infrastructure development and economic growth. Our Skills Development Programmes prioritise young people from previously disadvantaged backgrounds. It is fundamental to note that the **Bursary Fund** provides financial assistance in the form of Registration and Tuition fees, Meals, Study material, Accommodation and Stipends. It is worth noting that once these Bursary Holders attain their qualifications, part of their contractual obligation, is to serve the Department as Graduate Technical Interns.

**Madam Speaker**, as part of building State Capacity in the Built Environment and Property Sectors the Department will develop, coordinate and implement a four-year **Graduate Recruitment Scheme Strategy** as a contribution to the Provincial Skills Pipeline. This will attract Eastern Cape graduates in the Built Environment and Property Sectors to register as professionals in their Professional Councils.

As part of the pilot programme, the Department will appoint **20 Graduates** across the Province to partake in the Graduate Recruitment Scheme Programme.

## **JOB CREATION**

**Honourable Speaker**, the Department continues to lead in the coordination and implementation of the Expanded Public Works Programme (EPWP). It is through the coordination of EPWP that Provincial job creation efforts are galvanised. As we begin the implementation of EPWP Phase V, the Department is resolute to ensure that the creation of sustainable job opportunities is scaled up and massified by targeting Women, Young people and Persons with Disabilities.

EPWP Phase V emphasises training interventions for EPWP participants as part of enhancing their skills that will inform exit strategies. This phase also focuses on innovative strategies that will attract Young people and Persons with Disabilities on the programme. Public Bodies implementing EPWP are also encouraged to form strategic partnerships with the Public and Private sector to augment the current funding constraints.

As we reflect on the performance of the Province and the Department on job creation, I am pleased to report to the House and the people of the Eastern Cape that, as at end of **March 2025** the **Province created 99 671 job opportunities** against the annual target of **96 621** for the 2024/2025 financial year.

On the other hand, as at the end of **March 2025 of the 2024/25 financial year**, the DPWI contributed to this effort by creating **5 117** job opportunities against the target of **5 000**. This figure is disaggregated as follows, **2 142** job opportunities were created for Women, **2 343** for the Youth and **95** for Persons with Disabilities.

**Honourable Members**, the EPWP Phase V Business Plan has been finalised and the Province is expected to create **492 267 job opportunities over the next five years**. As a Department, through our coordination of EPWP, we will ensure that the set target is met by supporting and guiding all Public Bodies implementing EPWP in the Province.

The Department will ensure the implementation of the recently developed EPWP Provincial Policy that all Public Bodies create quality and sustainable job opportunities.

## **CONCLUDING REMARKS**

As I conclude, let me reaffirm that the Department of Public Works and Infrastructure remains committed to building the Eastern Cape that is underpinned by sustainable infrastructure, economic inclusion and social transformation. Our policy direction for the 2025/2026 Financial Year is clear: we will accelerate infrastructure delivery, drive job creation, and ensure that government assets serve the needs of the people.

This Policy and Budget Speech is not just about numbers, it is about the lives of the people we serve. It is about the young artisan seeking opportunities through our Expanded Public Works Programme, the small business owner striving to access procurement opportunities, and the rural community waiting for improved public infrastructure to support their livelihoods. We are determined to ensure that every cent allocated to this Department is spent efficiently, transparently, and in a manner that transforms our Province for the better.

**Honourable Speaker,** we do not work in isolation. We value the collaboration of our social partners, Sister Departments, Institutions of Higher Learning, Local Municipalities, State-Owned Entities, the private sector, and communities who are key to unlocking the full potential of public infrastructure investment.

The success of our projects depends on the collective commitment of all stakeholders to ensure that Infrastructure becomes a catalyst for inclusive growth. We call upon all our partners to continue walking this journey with us as we reshape the future of our Province.

As we roll-out our plans, we remain steadfast in our fight against corruption, maladministration, and inefficiencies that threaten service delivery. We will continue to strengthen accountability measures, ensuring that all infrastructure projects are completed on time, within budget, and at

the highest standard. The people of the Eastern Cape deserve nothing less than a government that upholds integrity and delivers on its promises.

**Honourable Members**, the road ahead is not without its challenges, but our collective determination remains unwavering. This Department will, through coordination and delivery of infrastructure continue to be a driver of economic transformation and bridging the gap between rural and urban development, creating jobs, and ensuring that no one is left behind.

I take this opportunity to extend my heartfelt appreciation to Premier Mabuyane, my Colleagues in the Executive Council, Members of this Legislature, the Portfolio Committee on Public Works and Infrastructure, the Head of Department, Senior Management, and all Officials who continue to serve with dedication. Your hard work ensures that the vision we set today becomes the reality of tomorrow.

I hereby submit the 2025/2026 Policy and Budget Speech, the Strategic Plan, Annual Performance Plan and the Annual Operational Plan for the Department of Public Works and Infrastructure.

**I THANK YOU!!!!!!**

**Table 1: Total Budget for 2025/2026 Financial Year**

<b>Programme</b>	<b>Programme Description</b>	<b>Allocation R'000</b>
Programme 1	Administration	R518,189
Programme 2	Public Works Infrastructure	R1,984,683
Programme 3	Expanded Public Works Programme	R151,356
<b>Totals</b>		<b>R2,654,227</b>
<b>Standard Chart of Accounts (SCOA)</b>		
<b>SCOA Description</b>		<b>Allocation R'000</b>
Compensation of Employee		R899,099
Goods and Services		R928,306
Transfers & Subsidies		R627,426
Payments for Capital Assets		R199,396
<b>Totals</b>		<b>R2,654,227</b>