

**REPORT BY THE MEC FOR HUMAN SETTLEMENTS  
AND PUBLIC WORKS JOMO SIBIYA  
DURING THE SITTING OF THE NATIONAL COUNCIL  
OF PROVINCES**

**Ministerial Briefing Session: Infrastructure  
Development – Accelerating the Implementation of  
the Infrastructure Plan for Employment Creation and  
Development  
7 September 2021**

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Programme Director : Honourable Ms Lucas – the Deputy  
Chairperson of NCOP

The Chairperson of the NCOP: Honourable Mr N.A  
Masondo

Honourable Minister of Public Works and Infrastructure  
Ms P De Lille

Honorable Members

## **Introduction**

As I unmute this microphone to address the honourable  
members, we wish to indicate that the people of KwaZulu-  
Natal have hope for a better future.

They are convinced that as elected public  
representatives, we will use this sitting, to debate plans  
that we have put in place to radically restructure and  
redevelop the economy of this country and KZN.

## **KZN cannot succeed alone**

Honourable Members and Compatriots, it is our intention to outline how KwaZulu-Natal stands to benefit, contribute and ensure that our province plays one of the leading roles in the creation of a better future for our country and our Province.

The economy of our country is indivisibly intertwined with that of our different Provinces. Developments in KwaZulu-Natal are geared to support growth in several Provinces which will succeed because our Province played a part in their growth and success.

Similarly, the growth of our Province is a result of the economic activities of not only other Provinces but of various neighbouring states and trading friends of South Africa.

Importantly, in everything we do, we always remind ourselves that the first case of COVID-19 in the country was reported in KZN in March 2020.

Ever since the President His Excellency Cyril Ramaphosa announced the first lockdown, the central theme of his speeches have always been around job creation.

## **Infrastructure a “flywheel” to drive economic growth through the tough economic conditions**

During the inaugural Sustainable Infrastructure Development Symposium, President Ramaphosa said infrastructure would be the “flywheel” to drive economic growth through the tough economic conditions that had been worsened by the Covid-19 pandemic.”

He further outlined, in detail, a massive infrastructure programme of more than R2, 7 trillion. This has never been seen before in the whole country and in Africa in general.

Honourable Members, for KwaZulu-Natal Province alone the 2021/22 total infrastructure budget allocation amounts to R16.449 billion. Of this amount, existing infrastructure assets received the largest share, approximately 57.8% (R9.514 billion).

Non-infrastructure (expenditure not directly linked to the construction of infrastructure assets) received the second largest share at R2.202 billion, while new infrastructure assets received R1.166 billion.

This massive investment is packaged in such a way that we defeat the triple challenges of poverty, unemployment and inequality. As you all know, these challenges have been compounded by the outbreak of COVID-19.

## **Public Works engineering our approach – implementor of choice**

Chairperson and Honourable Members, quite critically, we have stated in various platforms that after careful analysis of our work as Public Works, we are continuously reengineering our approach to assist the province and the country to grow.

We are focusing on vocational training to ensure that the people of this province are appropriately skilled. We want

them to take up the new opportunities in the various sectors of the economy through the delivery of infrastructure.

We are working closely with the KZN Human Resources Development Council to strengthen our collaboration with the with Universities, Technical Vocational Education Training Centres and other Training Institutions. We are aiming at ensuring massive skilling of young people throughout the corners of the province.

We can report today that over the past few months, we have been awarding certificates to young people who have undergone intensive training and are now part of the built industry. We have been focusing on carpentry, plastering, roofing, plumbing and other technical skills.

### **Infrastructure Revolution – skills development**

Honourable Members, whilst unemployment in this province is often driven by a lack of demand for labour, at other times it is driven by a lack of suitable supply of labour. This is particularly true where there is a mismatch in skills supplied by the local labour force and skills demanded by the major businesses in the area.

We have ensured that the categories of artisans produced are aligned with the quality of skills required in industries whilst ensuring that the programmes for skills development is aligned with the imperatives of industrial development.

We are utilizing learnerships and internships to bequeath the young graduates with the sufficient experience to improve their appeal in the open market.

In addition, we want them to be the active agents who must be at the forefront of the infrastructure revolution.

### **Co-ordination Through Strategic Infrastructure Development Agency (SIDA).**

Chairperson, we must hasten to point out that as KZN we have adopted an integrated approach that seeks to unite all role-players behind one Infrastructure Plan for Employment Creation and Development

We are utilizing structures such as the KZN Economic Council, KZN Growth Coalition and KZN Human Resources Development Council.

In addition, we have an ongoing interaction with municipalities, NGOs and Business Chambers across the province. Such interactions are led by our capable Premier Sihle Zikalala.

We also wish to report that we are making progress in establishing the Strategic Infrastructure Development Agency (SIDA).

The Premier has given us tight deadlines which we are committed to meet despite challenges of budget cuts arising from the shrinking fiscus.

Having this Agency will enable KwaZulu-Natal to engage with and coordinate effectively every infrastructure project that are taking place in the Province irrespective

of the sphere of Government that is the custodian of the plans in question.

### **N3 Upgrade – Job Creation and Radical Economic Transformation**

At this stage, we wish to thank the Minister of Public Works and Infrastructure Patricia De Lille.

The Minister was joined by the Premier in the province in August 19 during the monitoring infrastructure projects especially the N3 National Road Upgrade.

Through the KZN Economic Council, we have received ongoing briefings from SANRAL regarding this project with a value of between R1, 4 billion.

To date, R82, 5 million has been spent.

What we really appreciate Honourable Members is that through the KZN Economic Council, which is comprising of civil society, we have been able to ensure that emerging contractors are given the opportunity to participate in this upgrade and other projects in the construction sector.

As it was also reported by the Minister and the Premier, about 12 local subcontractors have been awarded contracts. The target is to ensure that 19 local contractors (black owned SMMEs) are subcontracted to the tune of R385 million.

To date more than 248 people have been employed.

## **12 637 infrastructure projects across the province with a total value of more than 4, 3 trillion**

Honourable Members, due to time constraints, we won't be able to elaborate more on other infrastructure projects.

However, as Public Works, we remain on full alert to take full advantage of the rollout of all infrastructure projects as guided by the Infrastructure Plan for Employment Creation and Development.

We are focusing on areas of economic infrastructure, energy, aviation, transport, digital infrastructure, human settlement, water and sanitation, harbour development and maritime in general.

We have a total of 12 637 infrastructure projects across the province with a total value of more than 4, 3 trillion. Out of these, about 60 catalytic projects are in design and planning stages during Quarter 4.

### ***Automotive Supplier Park***

We remain determined as the provincial government to use the old Durban Airport to establish the first phase of the Automotive Supplier Park. The Dube Trade Port and Transnet have signed an MoU paving the way for the construction of the 1<sup>st</sup> phase of this project at the old airport.

It should be remembered that ahead of COVID-19, we projected the creation of more than 1 339 jobs with an investment of more than R4, 7 billion in this park.

KZN government successfully negotiated with TOYOTA to be one of the tenants in the Supplier Park. We also successfully convinced Toyota South Africa to lobby automotive suppliers to its parent company in Japan to locate their operations in Supplier Park.

Critically, we remain encouraged by the agreement between three spheres of government and Toyota to ensure emerging entrepreneurs benefit from the assembling and production of new HiAce and Hino 500 series truck. From November 2021, Toyota will start manufacturing Corolla Cross, a small SUV.

To date, more than 7 200 people are employed by Toyota in their plant. But this number is set to grow because of our new Automotive Supplier Park and the introduction of the first locally produced new energy vehicle.

Chairperson, we must hasten to emphasize that the Premier has mandated all MECs in the ESIED cluster to ensure the establishment of Automotive Service Hubs as part of revitalization of Township and Rural economies.

We are building on the MoU between South African Technicians Association and KZN government through Ithala.

This MoU was signed to ensure that township and rural based young people are trained as artisans and mechanics.

Through our Expanded Public Works Programmes we want them to repair government fleets in automotive centres. These centres will be established in properties owned by government through Public Works. This is the mandate from our Premier.

### **Public Works - R2 billion on behalf of other Provincial Departments – Implementer of Choice**

At this stage, Chairperson, allow me to turn my focus to another important area.

As Public Works we are spending approximately R2 billion on behalf of other Provincial Departments which is recovered through the Inter-Departmental Account.

We are using this budget to drive the Infrastructure Revolution. We are determined to create more than 233 000 work opportunities during this term of office of the sixth democratic administration.

We are “**Quickening the Tempo**” and have ensured that speed and efficiency are defining features of our work.

We stated previously that we want to develop a reputation of a department that is respected by the people because of integrity and hardwork.

Wherein in the past it took more than 8 years to construct schools, health facilities or any other government's socio-economic infrastructure, we are shortening the period of construction.

We remain pleased by the speed in the construction and renovation of health facilities needed by the provincial Department of Health. Job opportunities were created during the refurbishment of 12 projects with a total budget of R 1 billion.

What is even more pleasing is that the Special Investigative Unit confirmed that they did not find any wrong doing on the side of the department. They lauded the department and all categories of staff for their co-operation.

We have strengthened the work of a Provincial Executive Council Infrastructure Delivery Sub-committee of MECs. The committee was created to oversee the delivery of infrastructure and ensure that the capital expenditure pattern is closely monitored and reported to Provincial Executive Council on a regular basis.

We are working with KZN Treasury's Infrastructure Crack Team of technical specialists (project managers, engineers, architects etc) to speed up quality construction of public infrastructure and eliminate under-expenditure.

## ***Maritime Sector***

Honourable Members, as you all know that KZN has the longest coastline.

We are working hard with the Department of Economic Development, Tourism and Environmental Affairs to create opportunities in the oceans economy.

We have made progress in establishing a boat building park at Bayhead. This is a Public-Private Partnership. Our focus is on boat designs, building and repairs. We are integrating offerings with boat leisure industry in the Port of Durban.

We want small players to be involved in the entire value chain of the oceans economy. These include supplying products and services for the shipbuilding, conversion and maintenance of ships.

We wish to report that KZN government has transferred R3 564 million to Ithala to commission the assessment study focusing on stimulating Ship Building and Ship repairs industry.

We remain grateful to the Department of Public Works and Infrastructure for conducting Mini Operation Phakisa: Ocean Economy Lab for the Small harbours Development sub-sector.

We wish to report that flowing from this work, we have ensured that we develop a variety of maritime sub sectors such as aquiculture. We have targeted small players to

be involved in aquiculture farming in Richards Bay, Mandeni, Port Shepstone and other municipalities along the coast.

We have been successfully establishing fishing processing facilities along the entire coastline for 43 fishing communities. We successfully secured fishing licensees of more than 35 small-scale fishing co-operatives from the national Department of Fisheries.

We have been procuring modernized fishing processing facilities for these co-operatives. These will ensure that they meet international standards. Our main focus was to ensure that the small Scale fishing communities are assisted to graduate into commercial enterprises.

We thank our Premier for his leadership and members of the executive council who are in the ESIED Cabinet Cluster for the hard work.

### ***Aviation Industry***

We wish to conclude this report by reporting that we have successfully put in place a plan for the modernization of small airports. This is not only to allow for an easy flow of passengers and tourists to various corners of this province - but to make KZN airport attractive destinations for future investments. We are preparing for the future.

About R10 million has been injected into the renovations of Margate Airport - a project which has created much needed jobs for the local communities.

About R66 million has been injected for the renovations of Mkhuze airport terminal building. Work is currently underway. Fencing of Oribi Airport at a value of about R5 million is nearing completion.

### ***Government Precinct - Private Public Partnership (PPP) funding model***

Honourable Members, it will be inappropriate not to indicate that there are funding constraints.

We wish to single out the development of Government Precinct as one project that will change the face of KZN forever. We are developing a Private Public Partnership (PPP) funding model to raise funds for the construction.

We want to reduce escalating rentals for office accommodation of all government departments. It is indeed not sustainable to continue paying rent when we can have our own facility which we can handover to future generations. This facility will accommodate approximately 5000 officials.

We remain hopeful that national government will also come on board through the National Infrastructure Fund.

## **Conclusion**

Honourable Members, the President has placed firmly on the table a solid and clear Infrastructure Plan for

Employment Creation and Development. This plan will take many decades to complete. He reiterated his commitment towards the implementation of this plan yesterday.

As KZN we commend the President and the national government for such a well-developed plan.

We will continue to rely on the National Council of Provinces as a critical pillar of our democratic dispensation. Synergising, as it does, the functioning of government at national, provincial and local levels, the NCOP is also about engendering participatory democracy and promoting inter-governmental relations.

We also recognize the importance of the Select Committees of NCOP in terms of interrogating strategic plans and budgets of departments - whether they are assisting in driving the transformation agenda.

We offer to work with the NCOP especially in monitoring and evaluating our work.

On behalf of the KZN government and the people of KwaZulu-Natal, I thank you