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Department:
Public Works
REPUBLIC OF SOUTH AFRICA

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

Annual Strategic Planning Session: DPW and PMTE

Theme:

“Accelerating effectiveness in service delivery”

20-21 October 2015

Input by:

T.W. Nxesi MP, Minister of Public Works

- Programme Director
- DM, DG and senior management of the Department of Public Works and the PMTE.

Greetings and thanks to the organisers of this important event for the opportunity to share some thoughts with you.

Briefly, for the record, the 2016 Updated Policy Statement affirms the strategic priorities already contained in the 5 Year Strategic Plan – for both the DPW and PMTE:

- Coordination of the EPWP to create 6 million work opportunities
- Operationalisation of the PMTE to professionalise the core business
- Operationalisation of the GRC Branch to combat corruption and ensure compliance
- Transformation of the built environment and unblocking the skills pipeline, and

- A major policy review to refresh the mandate of the Department, its entities, and the relationship with the wider Public Works family – culminating in a Public Works Act.

These fundamentals remain in place, but of course circumstances change. Therefore the 2016 Policy Statement also includes:

- A restatement and update of national government priorities and objectives, as well as new mandates in relation to Operation Phakisa and skills development to capacitate the state.
- It also includes an assessment of the changed environment – political and economic - in which we operate, particularly in relation to budgetary constraints.

All this I take as read. Our task at this planning session is to clarify exactly what are goals are, and to strategize on how we achieve these goals – always

mindful that we will only succeed if – and only if - we maintain the momentum to turnaround and rebuild the Department and to fully operationalise the PMTE.

Let me first say that the content of the programme for this strategic planning workshop is a good indicator of just how far we have come as a Department and as the PMTE. The improvement is palpable from where we were two years ago when the Audit Committee sounded the alarm about the quality of our planning. The progress is also reflected in improved MPAT scores.

Looking at the programme, I detect a real attempt to break down the traditional silos in which each unit and branch presents in splendid isolation from each other. So we get cross-cutting discussions, for example:

- On the topic: *‘An analysis of the organisational capacity and capability to deliver on its mandate’* – here we see a real attempt to grapple with the

challenges of limited resources and skills in a difficult budgetary environment.

- Another example: the discussion on the '*Compilation of the Service Delivery Improvement Plan (SDIP) for the next cycle.*' This is not just a matter of compliance, but requires a fundamental debate on where we are going to focus our energies to improve delivery over the next cycle.

- Another example would be the discussion on the '*Turnaround Efficiency Enhancement Phase Plan*'. This is crucial colleagues. The solid progress we made in the stabilisation phase must not be an excuse to relax and fall back into our silos. I would expect that this phase of the Turnaround must include:
 - An urgent focus on the areas of greatest risk such as Construction and Facilities Management – risk in terms of audit outcomes

as well as fraud and corruption – as well as being areas for potential major cost savings.

- This phase of Turnaround must also include a strategic focus on the steps we have to take to enhance efficiency and move the business forward. Clearly this must include a plan to accelerate the roll-out of the necessary ICT strategy and platform to monitor, support and analyse business functions and operations.

On more than one occasion, the CFO has referred to this as a necessary condition for meeting our obligation to pay suppliers within 30 days – and, more generally for the attainment of a clean audit.

Clearly we cannot do everything at once, so in the present phase of the Turnaround – and as part of the new SDIP discussions - you are going to have to make strategic choices, and

prioritise the measures that will give us the best returns – ‘the biggest bang for our buck’ (as the Americans would say).

This must include identifying our strengths, where we have made gains, and then strategizing on how we leverage these to extract further gains. The Immovable Asset Register is a case in point: we now need to mine this rich database to build the business of PMTE and to assist the GRC in combatting corruption.

I also note from the programme, that we have now embedded the practise of holding separate planning sessions for PMTE and DPW respectively. At last year’s Strategic Planning Workshop, I made the point that this would (I quote): *“allow colleagues in PMTE to start to act and think collectively as part of the process of operationalising the Entity, whilst those in DPW focus on transforming and rebuilding the capacity of the Department.”*

This also raises issues of corporate governance which you may need to discuss. PMTE, I know you now hold your regular MANCOs – which plays a vital role in integrating the various branches and units across the value chains of the business. This is crucial: we need managers who manage their sections – but are also clear about where they fit into the wider business. This must reflect in our planning: we need focused operational targets for the different programmes and branches – but integrated into a plan for the bigger picture - for the purpose of realising the broader mandate and vision of the Department and the PMTE.

I also welcome the theme of this workshop:

“Accelerating effectiveness in service delivery” – a clear indication that we do not see planning as a mechanical exercise in compliance – ticking boxes. *[By the way, I am not seeking to undermine the need for the discipline that comes with ticking boxes – especially when we remember where we come from as a department.]* But I am saying that we must not see

compliance, and in this case planning, as an end in its self. We are not planning for planning's sake – just for compliance - but we plan in order to take control of our business and mandate, and to guide and better ensure successful outcomes and service delivery to clients and to the public.

The draft APPs (Annual Performance Plans)

Let me use this opportunity to reflect on the draft APPs for 2017/18. DDG: GRC you will have received detailed comments from the DM and myself. Now, at the risk of being accused of being too operational, let me list some of our specific issues for your consideration:

In no particular order:

- We need to finalise the review of the policy on disposals – sooner rather than later. We receive a lot of requests for the use of our land and assets. We need clear policy guidelines. And we also receive complaints about the lengthy timeframes involved.

Again, this issue needs to be addressed and concluded.

- I have already mentioned the need for a revamped plan for the roll-out of a robust ICT platform. Let's not be in denial. We have fallen behind on this – and it is clearly the key to unlocking solutions for many of the other problems we face.
- On unscheduled maintenance – I am not getting the sense that plans and timelines are commensurate with the scale of risk involved here. We used to talk about Public Works being in ICU. I think that when the rest of us were discharged from the hospital, we forgot about Facilities Maintenance and we left them there. I want to be assured that we have stopped the bleeding on unscheduled maintenance and that we have a clear plan to take us forward.
- In relation to Professional Services – the plans need to reflect a clear vision for the Department in relation

to the BE professions, skills pipeline and building the capacity of the state.

- In a number of cases timelines set in the draft APPs seem to be unnecessarily long; some examples:
 - Why are we dragging out the approval of Prestige policies over the next 3 years, till 2018/19?
 - On the White Paper Review, the APP indicates work will commence in 2017/18 – why can't we start during the current year?
 - And my personal favourite: DDG: IGC, according to the draft APP, you are planning to finalise guidelines for small harbour development in 2018/19, whilst the PMTE is already forging ahead with this programme?

The general point here is that we may need to review some of the timelines in the APPs with a sense of urgency – whilst, of course, not setting targets that are unrealistic.

I want to reiterate my concluding remarks to Mintop on 29 June 2016, and I quote:

“... as you review the draft Policy Statement document – and as you embark on the next planning cycle to develop the 2017/18 APPs, try to cut through the detail and the clutter, and ask yourselves some very basic questions about service delivery and the core business of DPW and the PMTE:

- *First: What can we do to create jobs and work opportunities? [EPWP needs to be engaging with PMTE on a continuous basis in this respect.]*
- *A second question: what are we contributing to skills development and rebuilding the built environment professional and technical capacity of Public Works and the state? [The role of the Professional Services Branch is critical here – working with the Policy Branch, the Entities and stakeholders to create a conducive policy and regulatory environment to*

unblock the skills pipeline; supporting the PMTE to improve delivery; and advising the Minister.]

- *Another question: what are we doing to transform the built environment and drive black economic empowerment? [The Policy Branch needs to craft a clear vision, policy and regulatory environment, whilst PMTE drives implementation.]*
- *Again, we all need to ask: What are we doing to make savings and contain costs? [This is not the task of Finance and Corporate Services alone. This goes to the heart of core business – particularly Facilities Management and Property Management.]*
- *The follow-up question, directed towards PMTE must be: In the face of budget cuts, how can we generate revenue? – and how soon? [Let's be clear, that is what our principals – Cabinet and Parliament expect of us.]*

I am yet to be convinced that these principles and priorities are sufficiently reflected in the draft APPs, and I would request you to keep these concerns in mind during your deliberations over the next two days.

Finally, we have not always been strong on change management – this function also needs to be clearly flagged in the APPs. Let me give a specific example, in relation to this current strategic planning exercise, do we have in place a plan to communicate the outcomes of this exercise to the rest of the organisation and to ensure that in every branch, division and unit, you have the full buy-in of your people. Ownership of the APPs starts here with the leadership, but to implement successfully requires the informed participation of every member of your team.

And where we register progress – no matter how small – make sure that you thank your people for the work done, and then communicate it to the rest of the organisation – and a wider public where this is

appropriate. [*DM may want to expand on this.*] This is a critical part of change management – and also for rebuilding the reputation of Public Works.

So let me be the one to thank this leadership for good work done over the last year – DG, CFO, the Head of PMTE and all those DDGs and managers who walk the extra mile to turnaround Public Works and improve service delivery.

Let me conclude by reminding ourselves of the theme of this planning session: “*Accelerating effectiveness in service delivery*”. To make this theme a reality, you are going to have to:

- own your APPs – both for 2017/18 and in the current year for that matter; and
- you are going to have to ensure that, for 2017/18, we move decisively from the realm of conceptualisation to implementation and concrete deliverables.

It is this mind-set that must guide this planning session.

I wish you success in your deliberations.

I thank you.