

Annual Performance Plan

2020/21



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

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Acronyms

ACRONYM	FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION
AFS	Annual Financial Statement	CWP	Community Works Programme
AGSA	Auditor General South Africa	DDG	Deputy Director General
APP	Annual Performance Plan	DDG	Deputy Director General
ASA	Agrément South Africa	DDM	District Delivery Model
ASGISA	Accelerated and Shared Growth Initiative for South Africa	DHET	Department of Higher Education and Training
ASIDI	Accelerated School Infrastructure Delivery Initiative	DMS	Document Management System
BAS	Basic Accounting System	DORA	Division of Revenue Act
BBBEE	Broad-Based Black Economic Empowerment	DPME	Department of Planning, Monitoring and Evaluation
BCI	Business Confidence Index	DPSA	Department of Public Service and Administration
BCP	Business Continuity Plan	DPW	Department of Public Works
BEE	Black Economic Empowerment	DPWI	Department of Public Works and Infrastructure
BEPCs	Built Environment Professional Councils	DPWNIF	Department of Public Works National Intergovernmental Forum
BEPs	Built Environment Professions	DRDLR	Department of Rural Development and Land Reform
BER	Bureau of Economic Research	EA	Expropriation Act
BFI	Budget Facility for Infrastructure	ECD	Early Childhood Development
BIM	Building Information Modelling	ECSA	Engineering Council of South Africa
BRICS	Brazil, Russia, India, China and South Africa	EDD	Economic Development Department
C-AMP	Custodian Asset Management Plan	EDMS	Employee Development and Management System
CAPEX	Capital Expenditure	EEC	Economic and Employment Cluster
CBE	Council for the Built Environment	EHW	Employee Health and Wellness
CBOs	Community Based Organisations	ENE	Estimates of National Expenditure
CCCs	Construction Contact Centers	EPWP	Expanded Public Works Programme
CETA	Construction Education Training Authority	EPWPRS	Expanded Public Works Programme Reporting System
CIDB	Construction Industry Development Board	ERP	Enterprise Resource Planning
CIDBA	The Construction Industry Development Board Act	ETQA	Education and Training Quality Assurance
CIDBA	The Construction Industry Development Board Act	EU	European Union
CIP	Contractor Incubator Programme	EXCO	Executive Management Committee
CIPA	The Critical Infrastructure Protection Act	FET	Further Education and Training
CMS	Change Management Strategy	FTE	Full Time Equivalent
CPAP	Contract Price Adjustment Provision	FY	Financial Year
CPD	Continuous Professional Development	G&A	Governance and Administration
CPI	Consumer Price Inflation	GDP	Gross Domestic Product
CPO	Chief Procurement Officer	GFCF	Gross Fixed Capital Formation
CSIR	Council for Scientific and Industrial Research		
CWP	Community Works Programme		

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE STRATEGIC PLAN 2020-2025

ACRONYM	FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION
GIAMA	Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)	MIS	Management Information System
GIS	Geographical Information System	MoA	Memorandum of Agreement
		MoU	Memorandum of Understanding
GIS	Geographic Information System	MPAT-LSIP	MPAT Low Score Improvement Plan
GITC	GIAMA Implementation Technical Committee	MPRA	Municipal Property Rates Act
GRAP	Generally Recognised Accounting Practice	MTBPS	Medium Term Budget Policy Statement
		MTEC	Medium Term Expenditure Committee
GRC	Governance, Risk and Compliance	MTEF	Medium Term Expenditure Framework
HCBC	Home Community Based Care	MTSF	Medium Term Strategic Framework
HO	Head Office		
HOD	Head of Department	NCCI	New Capital City Initiative
HRD	Human Resource Development	NCDP	National Contractor Development Programme
HSDG	Human Settlements Development Grant	NDG	Neighbourhood Development Grant
IA	Internal Audit		
IAR	Immovable Asset Register	NDP	National Development Plan
ICMA	Integrated Coastal Management Act	NEDLAC	National Economic Development And Labour Council
ICT	Information Communication & Technology	NEPAD	New Partnership for Africa's Development
IDA	Infrastructure Development Act		
IDIP	Infrastructure Delivery Improvement Programme	NFA	National Forestry Act
IDMS	Infrastructure Delivery Management System	NGOs	Non-Governmental Organisations
IDT	Independent Development Trust	NGP	New Growth Path
IE Works	Integrated Electronic Working System	NIMS	National Infrastructure Maintenance Strategy
IF	Infrastructure Fund	NOC	National Coordinators Committee
IFMS	Integrated Financial Management System	NPOs	Non-Profit Organisations
IIO	Infrastructure and Investment Office in the Presidency	NSDF	National Spatial Development Framework
IMF	International Monetary Fund	NSF	National Skills Framework
ISDG	Integrated Settlements Development Grant	NSS	Non State Sector
		NT	National Treasury
ITP	Information Technology Procurement	NYS	National Youth Service
		OHSA	Occupational Health and Safety Act
JTT	Joint Task Team	OPEX	Operational Expenditure
JWE	January World Economic Outlook	PAIA	The Promotion of Access to Information Act
LABA	Land Affairs Board Act	PAJA	The Promotion of Administrative Justice Act
LOGIS	Logistical Information System	PAMA	Public Administration Management Act
LRA	Labour Relations Act		
M&E	Monitoring and Evaluation	PCC	Property Charter Council
MDGs	Millennium Development Goals	PCDF	Provincial Contractor Development Forum
MIG	Municipal Infrastructure Grant	PDA	Protected Disclosure Act
MINMEC	Minister and Members of the Executive Council	PEP	Public Employment Programme

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE STRATEGIC PLAN 2020-2025

ACRONYM	FULL DESCRIPTION	ACRONYM	FULL DESCRIPTION
PFMA	Public Management Finance Act, 1999 (Act No. 1 of 1999) as amended	SAIA	South African Institute of Architects
PICC	Presidential Infrastructure Coordinating Commission, chaired by the President	SAPOA	South African Property Owners Association
		SAPTG	South African Property Transfer Guide
PICC MANCOM	Presidential Infrastructure Coordinating Commission Management Committee, chaired by the Minister DPWI	SARB	South African Reserve Bank
		SARS	South African Revenue Services
		SARS	South African Revenue Services
PICC SEC	Presidential Infrastructure Coordinating Commission Secretariat	SASSA	South African Social Security Agency
		SCM	Supply Chain Management
PICC TTT	Presidential Infrastructure Coordinating Commission Technical Task Team	SDA	Skills Development Act
		SDIP	Service Delivery Improvement Programme
PIP	Property Incubator Programme	SDMF	Service Delivery Model Framework
PMDS	Performance Management and Development System	SDMF	Service Delivery Model Framework
PMTE	Property Management Trading Entity	SDS	Service Delivery Standards
PPP	Public Private Partnership	SETA	Sector Education and Training Authority
PPPFA	The Preferential Procurement Policy Framework Act	SLA	Service Level Agreement
PTNG	Public Transport Network Grant	SLDA	State Land Disposal Act
QLFS	Quarterly Labour Force Survey	SMME	Small, Medium and Micro-sized Enterprises
QSA	Qualifying Small Enterprise	SOE's	State Owned Entities
REIRS	Real Estate Information and Registry	SONA	State of the Nation Address
REIS	Real Estate Investment Services	SOP	Business Processes and Standard Operating Procedures
REITS	Real Estate Investment Trusts	SP	Strategic Plan
REMS	Real Estate Management	SPLUMA	Spatial Planning and Land Use Management Act
RMB/BER	Rand Merchant Bank/ Bureau for Economic Research	TA	Technical Assistance
RMC	Risk Management Committee	TFM	Total Facilities Managers
RPL	Recognition of Prior Learning	ToR	Terms of Reference
SACAP	South African Council for the Architectural Profession	U-AMP	User Asset Management Plan
SACLAP	South African Council for the Landscape Architectural Profession	UIF	Unemployment Insurance Fund
		URS	User Requirement Specification
SACPCMP	South African Council for the Project and Construction Management Profession	US	United States
		USDG	USDG Urban Settlements Development Grant
		VPN	Virtual Private Network
SACPVP	South African Council for the Property Valuers Profession	VR	Virtual Reality
SACQSP	South African Council for the Quantity Surveying Profession	WBS	Work Breakdown Structure
SADC	Southern African Development Community	WSA	Water Services Act
		WSP	Workplace Skills Plan

Executive Authority Statement

Minister's Foreword



It gives me great pleasure to present herewith the Strategic Plan for the medium term (2020-25) and the Annual Performance Plan (2020-21) for the Department of Public Works and Infrastructure (DPWI).

The President Cyril Ramaphosa made it clear that the time for idle talk was over and that the central feature of the sixth democratic administration is "implementation".

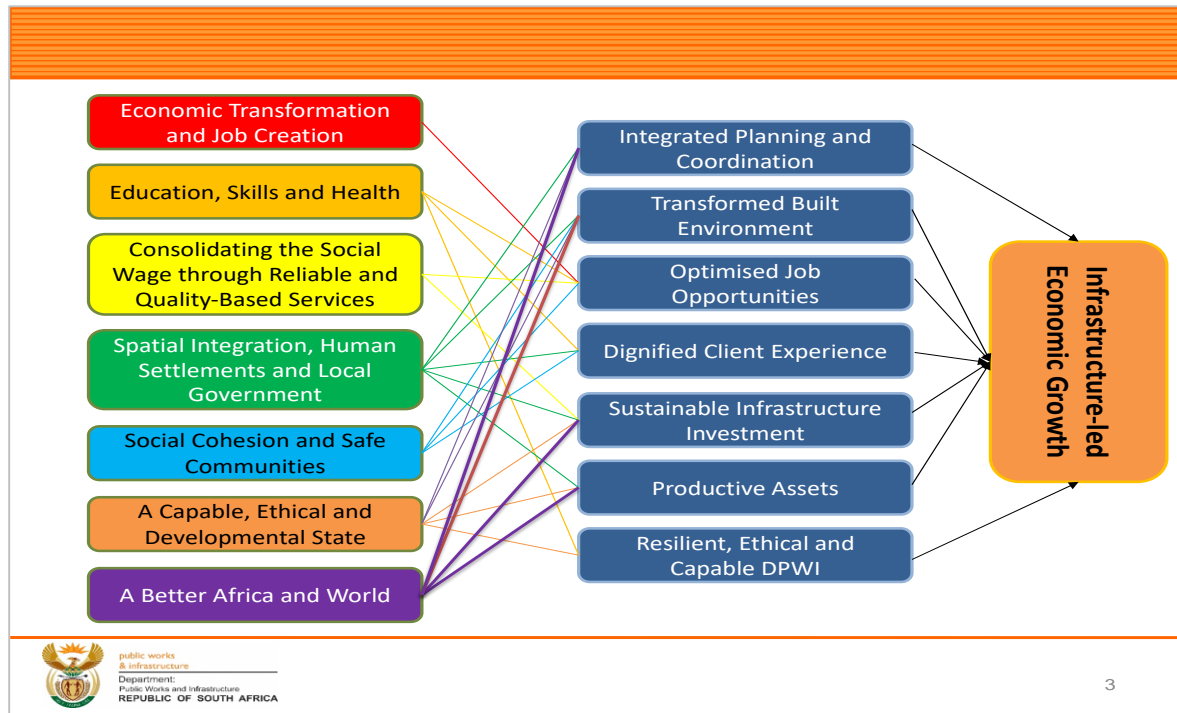
The State of the Nation Address (SONA) by the President on the 20th of June 2019 reflected the reality of our people and set out the broad framework to respond to the challenges confronting the nation and articulated seven priorities aligned to the NDP and Medium-Term Strategic Framework (MTSF), namely:

1. A capable, ethical and developmental state;
2. Economic transformation and job creation;
3. Education, skills and health;
4. Consolidating the social wage through reliable and quality basic services;
5. Spatial integration, human settlements and local government;
6. Social cohesion and safe communities; and
7. A better Africa and World.

These seven priorities have given the reconfigured Department of Public Works and Infrastructure the opportunity to refocus toward the achievement of its existing and new infrastructure mandate in the implementation of quality public services for public good. The new District Development Model will enhance service delivery.

Giving effect to these priorities, the DPWI Strategic Plan for 2020-25 is premised on key Outcomes in the context of our historical and new statutory and policy mandates. In developing the DPWI Strategic Plan for 2020-2025, it was considered essential to ensure that the Outcomes of the Department and its Public Entities were all aligned to one or more of the national seven priorities, in order to focus on implementation and targeted infrastructure service delivery that addresses the ever-increasing needs across our Country. Our focus as government has to be on **Infrastructure-led Economic Growth**, which will then facilitate the crowding in of the private sector.

Figure 1: Link of DPWI Outcomes to National Priorities



DPWI's focus is on public land and building assets and infrastructure and the way in which they can be utilised to stimulate and sustain economic growth in the built environment. If government invests in the sustainable lifecycle of its infrastructure it will create investor confidence in Africa and the World. The Infrastructure Development Act, 2014 (Act 23 of 2014) includes amongst others, the facilitation and coordination of public infrastructure development, which is of significant national importance, as well as promoting the development goals of the state through infrastructure development investment. One of the golden threads running through infrastructure development investment in the 6th Administration is the rollout of the District Development Model across South Africa's 44 districts.

This exciting added role allows DPWI, alongside the Infrastructure Investment Office in the Presidency ("IIO"), to structure the country's **Infrastructure-led Economic Growth** under a single point of entry where the overall National Infrastructure Plan for South Africa is defined and the pipeline of bankable projects are focused within a new methodology.

The Outcomes, through which this impact will be realised, are:

1. **Resilient, Ethical and Capable DPWI:** DPWI is being reorganised with the inclusion of various functions that come with its new infrastructure mandate. The aim is for DPWI to be streamlined and outcomes-based, focused on implementation. The goal is to reinvent DPWI to be Agile, Ethical, Compliant and Capable, where everyone wants to work, with improved efficiencies achieved through seamless

automated processes and a robust support infrastructure to enable effective service delivery.

- 2. Integrated Planning and Co-ordination:** The key deliverable for DPWI is the National Infrastructure Plan, as is required by the Infrastructure Development Act, 2014 (Act 23 of 2014), which was transferred to the Minister of Public Works and Infrastructure by the President in terms of proclamation no 49 of 2019, 23 August 2019. The National Infrastructure Plan will foster integrated spatial planning and focused infrastructure implementation among organs of state by establishing a single view of service delivery.

Cognisance is also taken of the importance of other relevant legislation such as the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA), and the Government Immovable Asset Management Act, 2007 (Act 19 of 2007) (GIAMA), which provide for the National Spatial Development Framework and a uniform framework for the management of immovable assets held by National and Provincial government. This Outcome also deals with DPWI's further task in planning and leading the programme for the refurbishment of city precincts in terms of spatial transformation, with Salvokop being the lead precinct; and the New Capital City Initiative. DPWI will further ensure that it focuses on incorporating the new District Delivery Model into all of its planning processes.

- 3. Sustainable Infrastructure Investment:** One of the major concerns in the Country has been that the entire infrastructure lifecycle has not been addressed in the planning, financing and execution of projects and programmes. The lack of attention given to the strategy and needs of infrastructure on the one hand and the operations and maintenance components of the infrastructure lifecycle on the other, has come to the fore. This has unbalanced and, in many cases, halted the investment processes. The refocus is to be for the infrastructure capital budgets to have a 60% new 40% maintenance split.

When it comes to maintenance, the budget of DPWI is to be reoriented to an 80:20 ratio of scheduled to unscheduled maintenance. Furthermore, the National Infrastructure Plan will take the lead in rectifying this as well as ensuring that the Department's and its Public Entities' projects and programmes are restructured to address the entire lifecycle. Lastly, in order to ensure sustainability, the Department is embarking on a modular project for all public assets.

The most important focus area for the 6th Administration, under Sustainable Infrastructure Investment, is the establishment of a single point of entry for infrastructure delivery, management and investment. This process and mechanism will be headed up by myself in partnership with the Head of the Infrastructure and Investment Office in the Presidency.

4. **Productive Assets:** DPWI has major land and building assets that are not being adequately managed or utilised to their optimum. Assets are to be spatially known and managed in an economic and spatially just manner for the benefit of the public good and in the furtherance of a transformed, sustainable built environment. DPWI's first priority is to finalise its asset register and establish a single repository for the Country. The DPWI asset register will form the basis for all planning; construction management; facilities maintenance; leasing; and infrastructure investment.
5. **Optimised Job Opportunities:** This Outcome focuses on the restructuring of the Expanded Public Works Programme (EPWP) to optimise the mainstreaming and upscaling the EPWP Programme in the delivery and coordination of all infrastructure projects across the country, thereby contributing towards poverty alleviation and the reduction of unemployment. The commitment is on creating 5 million employment opportunities in the 6th Administration. I would also like the Department to focus on women, the youth and persons with disabilities.
6. **Transformed Built Environment:** Flowing from the Integrated Planning Outcome, is the achievement of spatial justice through the strategic use of DPWI public land and building assets to effect spatial transformation. The deployment and use of public assets can be the catalysts for facilitating transformation of the built environment and achieving social cohesion and integration. We are to take our lead from the NDP and the National Spatial Development Framework, which direct DPWI in its infrastructure planning and asset management.

Additionally, the DPWI will focus on regulation and legislative processes to contribute to a transformed built environment. Professional services within the built environment need a re-look with the intention to address skills required within the various sectors and address skewed patterns of professional representations in the built environment professional councils.

7. **Dignified Client Experience:** The Department needs to be viewed as the expert in the delivery of the services to the client department. However, in addressing the needs, DPWI should take into account three different client sectors, namely the client department, the user client and the recipient client. Each has different needs and DPWI will shape the service delivery accordingly and ensure best practice for each of the client sectors to positively change the delivery of public services in a dignified manner that focuses on time, quality, quantity, technology, value for money and relevance. In the same vain, the way in which the financial resources are directed to achieve this delivery should be changed and be direct to DPWI from National Treasury per annum, rather than via the Client Departments.

DPWI also realises that we have lost many of our clients due to its poor track record, and that the majority of our clients which we still have no longer trust us. We need

to have a service delivery improvement plan to gain their trust and to bring back clients that we have lost.

This Department, and its Public Entities, has a strenuous road ahead to traverse, and it will take substantial effort and dedication, which I believe exists once the reorganised DPWI comes together under its new mandate and focuses on the tasks at hand. However, we cannot do it alone and we will need to work in partnership with our various stakeholders - from the communities that we are there to serve to our sister departments, provinces and municipalities, and with the private sector and the international community. All play a critical role in this journey of implementation and targeted service delivery for the public good.

I hereby present the Department of Public Works and Infrastructure's Annual Performance Plan 2020-2021.

P. de Lille.

Public Works and Infrastructure Minister

Honourable Patricia De Lille, MP

Accounting Officer's Statement



Early in 2018, the South African economy was teetering on the brink of uncertainty, characterised by low economic growth owing to inter-alia load shedding, weak investment levels and a gold mining strike and unemployment rates rising to 29% in the second quarter of 2019 from 27.6 in the previous period. The mining sector rebounded as strikes came to an end in the second quarter with a growth of 14.4% - contributing a full 1.0 percentage point to GDP growth. While these prospects looked promising, a number of challenges still faced the country ahead.

The construction industry, a significant contributor to employment and growth in South Africa, has been in a slump since 2009, although set to emerge from recession in 2019. The slow growth in the country spells more troubles for struggling construction and building companies in the country. Infrastructure investment is much needed in South Africa at a time like this as a catalyst to overcoming poverty and inequality, as well as building environmental sustainability and urban resilience, particularly in the light of rapidly risen urbanisation rates.

Such infrastructure becomes a critical enabler of faster, inclusive and sustainable economic growth. Owing to low growth, uncertainty and poor investment confidence, the President embarked on a drive targeting \$100 billion dollars in investment over the next five years.

In the 7 June 2019 SONA, the President announced the configuration of some of the government departments. This Department is now also focusing on infrastructure in addition to public works. With this mandate, infrastructure projects across the country take the center stage as a catalyst to economic growth. This will see a collaborative effort between the Public Sector and the Private Sector in driving infrastructure-led growth. A seed fund has already been determined and the Department will work with other departments and agencies in the oversight of the Infrastructure Fund, which is set to propel and improve the quality and rate of infrastructure investment.

Further, the President in the same SONA address signaled an opportunity for government to pave a new path: policy certainty; economic growth; and accelerated job creation. In moving the country forward, the President highlighted seven priorities aligned to the NDP and Medium-Term Strategic Framework (MTSF), namely:

1. Economic transformation and job creation;
2. Education, skills and health;
3. Consolidating the social wage through reliable and quality basic services;
4. Spatial integration, human settlements and local government;
5. Social cohesion and safe communities;
6. A capable, ethical and developmental state; and

7. A better Africa and World.

In giving effect to these priorities, the Department of Public Works and Infrastructure has developed its five-year outcomes and will seek to ensure that they are realised through various strategies and innovative ways in order to ease the pressure on the sluggish economy. These outcomes were developed with the Department's Public Entities and shared with our Provincial counterparts as part of the concurrent mandate. Our approach is mapped beyond the South African borders to include contributions to the United Nations' Sustainable Development Goals.

This mapping also expresses the manner in which companies and governments do business within a global context or in an integrated manner. International trade is argued to be one of the greatest drivers of globalisation, as nations forge alliances based on trade concerns, affecting the supply of goods to and from that market, from intermediary products manufactured in developing economies, to sophisticated consumer goods. Ultimately, this will have implications on economic transformation, job creation, education, skills and health.



The Department will focus on key areas under each outcome. For example, the integrated planning outcome seeks to give effect to informed government planning particularly around infrastructure. This will culminate in the development of the National Infrastructure Plan. Within this Plan, various socio-economic initiatives will be addressed, and focus will also be on the implementation of infrastructure as a catalyst for economic growth. Infrastructure

enables trade, empowers businesses, connects workers to their jobs, creates opportunities for struggling communities and protects the nation from an increasingly unpredictable natural environment. Additionally, the Department will contribute greatly to the Oceans Economy termed Operation Phakisa. This programme focuses on unlocking the economic potential of South Africa's oceans and has the potential to contribute significantly to the GDP and creating direct jobs.

The Infrastructure Delivery Management System (IDMS) will be fast tracked to speed up infrastructure service delivery. Infrastructure backlogs, maintenance requirements and improved provision of state accommodation will be a decisively indicative test for effective and productive assets.

The value of an investment in infrastructure can only be realised if the investment is well planned and implemented properly to avoid inefficient, ineffective, and even wasted

infrastructure investments. To achieve this, the Department will ensure the development of sound and appropriately consulted infrastructure plans. The sustainability of infrastructure investment will be determined by various performance measures. These measures will be developed to bring about benefits across all aspects, including economic, social, and environmental spheres. Sustainable infrastructure enhances the quality of life for citizens, increases positive impacts (benefits), helps protect our vital natural resources and environment, and promotes a more effective and efficient use of financial resources.

Arguably, the most direct and effective way to reduce poverty and inequality is to create employment and economic opportunities, particularly for young people and women. In creating sustainable jobs and work opportunities, the Department will leverage on its programmes to make a contribution to different developmental objectives. Public employment programmes have an impact on the communities as they contribute towards providing participants with a first work experience with various elements of formal employment like written contracts, regular payments, provisions for health and safety, payment through a bank account, leave and a minimum wage.

The vulnerable economic landscape has worsened the budget composition and raised deficits and borrowing requirements, undermining the sustainability of public finances. These external shocks put pressure on the ability of the Department to deliver on its mandate. In building a capable and resilient Department, much emphasis will be placed on ensuring effective internal controls and management of performance towards sustained service delivery. We are developing a Balanced Scorecard that will balance financial measures with performance measures and objectives related to all other functional areas of the Department.

The Transformation agenda, particularly empowering people and building sustainable communities, remains vital for the country. This will entail strengthening institutions across sectors, participation of historically disadvantaged people, expanding opportunities for businesses to grow and flourish; and supporting government's green economy initiatives.

All these efforts are geared towards us realising our vision of being a trusted choice for innovative asset management and quality Infrastructure delivery for sustained economic growth.



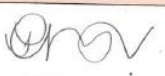
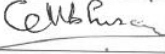
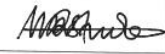



Director General: Department of Public Works and Infrastructure


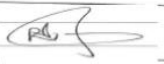





Advocate Sam Vukela

Official Sign-Off

It is hereby certified that this Annual Performance Plan 2020/21:

- Was developed by the management of the Department of Public Works under the guidance of Honourable Patricia De Lille, Minister of Public Works and Infrastructure.
- Takes into account all the relevant policies, legislation and other mandates for which the Department is responsible.
- Accurately reflects the Impact and Outcomes which the Department will endeavour to achieve over the period 2020-2021.

EXCO MEMBERS	
	Mr. I. Fazel Governance, Risk and Compliance
	Mr. C. Mtshisa Corporate Services
	Mr. M. Sithole Chief Financial Officer
	Mr. M. Mohwasa (Acting) Intergovernmental Coordination
	Ms. L. Bici Professional Services
	Mr. D. Pillay (Acting) Expanded Public Works Programme
	Ms. F. Rabada (Acting) Property and Construction Industry Policy and Research
	Mr. M. Sazona Prestige Policy

EXCO MEMBERS	
	Mr A. Dakela Project Management Office
	Mr R. Naidoo (Acting) Supply Chain Management
	Mr B. Kgaswane User Demand Management
	Ms S. Subban Real Estate Investment Services
	Mr B. Mokothu Construction Project Management
	Mr M. Mabinja (Acting) Real Estate Management Services
	Mr M.S. Thobakgale Small Harbours, Coastal Properties Development and Special Projects
	Mr S. Sokhele (Acting) Real Estate Information and Registry Services
	Ms N.C Makhubele Facilities Management

Adv. S. Vukela

Director-General of Public Works and Infrastructure



Hon. N. Kiviet (MP)

Deputy Minister of Public Works and Infrastructure



Hon. P De Lille (MP)

Minister of Public Works and Infrastructure

P. de Lille.

Part A: Our Mandate

The Department of Public Works and Infrastructure's roles and responsibilities are determined by a range of legislative and other mandates, as described hereunder.

1. Constitutional Mandate

The Constitution of the Republic of South Africa (1996) is the supreme law of the country and makes provision for other legislations regarding planning and performance monitoring across the three spheres of government. The Constitutional mandate for the Department is provided in Schedule 4, Part A, of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) [The Constitution] which makes reference to "Functional Areas of Concurrent National and Provincial Legislative Competence," the mandate being derived from Public Work as a function of Government implemented by all spheres of Government.

In executing its functional mandate, DPWI needs to take notice of the following in the Constitution:

Table A 1: Constitutional Mandate

Schedules 4, 5 and 6 of the Constitution	Provide functional areas of concurrent National, Provincial and Local Government legislative competency.
Section 25 of the Constitution	This section covers matters relating to land expropriation.

Table A 2: Constitutional Imperative: Areas of Compliance¹

Section 9 of the Constitution	Requires state immovable assets to be accessible to persons with disabilities.
Section 41 of the Constitution	The Department has to observe the principles of good cooperative governance and intergovernmental relations.
Section 114 (2) of the Constitution	A provincial legislature must provide for mechanisms to ensure that all provincial executive organs in the province are accountable to it and to maintain oversight of the exercise of provincial executive authority in the province including the implementation of legislation, and any provincial organ of the state.

¹ This section focuses on compliance, cooperation, governance and finance matters in support of the implementation of the primary and secondary mandates of DPWI.

Section 195 and Section 197 of the Constitution	Address skills development in a manner that accelerates the advancement of previously disadvantaged people, women and designated groups with particular emphasis on leaderships, as well as technical and management training.
Section 217 of the Constitution	Procurement must be done in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

2. Legislative and Policy Mandates

The legislative mandate of DPWI is underpinned by the following Acts as per Table A 3 that the Department is directly responsible for administering and implementing, in performing its primary and secondary mandates:

Table A 3: Legislative and Policy Mandates

KEY LEGISLATIVE MANDATES	
The Government Immovable Asset Management Act, 2007 (Act 19 of 2007)	Aims to ensure competent immovable asset management in National and Provincial Government in order to improve service delivery.
Infrastructure Development Act, 2014 (Act 23 of 2014)	Aims to provide for the coordination of public infrastructure development which is of significant economic or social importance. Further, established the various PICC structures that enable the coordination, oversight and unblocking of strategic infrastructure projects and related investment
Land Affairs Board Act, 1987 (Act 101 of 1987)	Section 6: Provides for the function of the Land Affairs Board in relation to determinations of valuations for immovable assets under the custodian of the Department.
The Construction Industry Development Board Act, 2000 (Act 38 of 2000)	Provides for the establishment of the Construction Industry Development Board (cidb), for the implementation of an integrated strategy for the reconstruction, growth and development of the construction industry and other matters connected thereto. Ensures that infrastructure projects are procured and delivered in accordance with cidb Prescripts.

<p>The Council for the Built Environment Act, 2000 (Act 43 of 2000)</p>	<p>Makes provision for the establishment of a juristic person known as the Council for the Built Environment, the composition, functions, powers, assets, rights, duties and financing of that Council and for matters connected thereto.</p>
<p>The Professional Council Acts regulate the six Built Environment Professions (BEPs)</p>	<p>Organises the built environment professions to serve the imperatives of Government, including transformation, public protection, good governance, etc.</p>
<p>Expropriation Act, 1975 (Act 63 of 1975)</p>	<p>Section S12 (1): Determines the basis of the compensation amount.</p>
<p>State Land Disposal Act, 1961 (Act 48 of 1961)</p>	<p>Provides for the disposal of certain state land and for matters incidental thereto, and prohibits the acquisition of the state land by prescription.</p>
<p>BUILT ENVIRONMENT COMPLIANCE LEGISLATIVE FRAMEWORK</p>	
<p>Municipal Property Rates Act, 2004 (Act 6 of 2004)</p>	<p>Section 48-49: Inspections of and objections to valuations on the general valuations roll.</p>
<p>Spatial Planning and Land Use Management, 2013 (Act 16 of 2013)</p>	<p>The Act was adopted shortly after the introduction of the NDP. SPLUMA is an important component of the drive to set the broad spatial agenda of the country, promoting the development principles of spatial justice, spatial sustainability, efficiency, spatial resilience and good administration.</p> <p>Section 33(1): Requires that all land development applications must be submitted to a municipality as the authority of first instance (this ensures land developments are aligned to Municipal strategic plans (IDPs and SDFs)</p> <p>Section 49 (1): Requires the payment contributions of internal engineering services by the Developer or Applicant (i.e. DPWI).</p>
<p>National Environmental Management Act, 1998 (Act 107 of 1998)</p>	<p>Section 4: Ensures compliance and enforcement of environmental management laws.</p>
<p>Integrated Coastal Management Act, 2008 (Act 24 of 2008)</p>	<p>Section 59: Ensures that the development and use of natural resources in the coastal zone is social and economically justifiable and ecologically sustainable.</p>
<p>Occupational Health and Safety Act, 1993 (Act 181 of 1993)</p>	<p>Section 16 (1): Compels every employer to provide environment that is safe without harm.</p>

<p>National Building Regulations and Building Standards Amended Act, 1984 (Act 36 of 1984)</p>	<p>Provides for new definitions and extending existing definitions.</p>
<p>National Forestry Act, 1998 (Act 30 of 1998)</p>	<p>Section 53: Regulates in respect of management of the protected natural state forest and obligations on the owner.</p>
<p>Water Services Act, 1997 (Act 108 of 1997)</p>	<p>Section 2: Provide for access to water and basic sanitation to ensure that the environment is not harmful to human health and well-being</p>
<p>The Critical Infrastructure Protection Act, 2019 (Act 8 of 2019)</p>	<p>Ensures that National Key Points are safeguarded.</p>
<p>ADMINISTRATIVE COMPLIANCE LEGISLATIVE FRAMEWORK</p>	
<p>The Public Finance Management Act, 1999 (Act 1 of 1999)</p>	<p>Promotes the objective of good financial management to maximise service delivery through the proficient use of the limited resources.</p> <p>Section 38 (d): Provides for the management including safeguarding and maintenance of the assets; Implement a procurement system that is fair, equitable, transparent, competitive and cost-effective.</p> <p>Section 54 (d): Ensures that National Treasury and Accounting Officer approve the acquisition and disposal of immovable assets.</p> <p>Section 16 read with NTR A7.3-4: Provides for the determination of market related values for all purposes including letting.</p> <p>Section 76(1) (l) read with NTR 21.3: Regulates the donation of the state immovable assets to or by the state.</p>
<p>The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)</p>	<p>To develop and implement policies that advances preferential procurement for designated groups in order to advance economic transformation.</p>
<p>Public Service Act, 1994 as amended 2007</p>	<p>Regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.</p>

<p>Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000)</p>	<p>Section 9: Ensures direct or indirect discrimination against any persons on the ground of disability in terms of the State owned immovable assets.</p>
<p>Employment Equity Act, 1998 (Act 55 of 1998)</p>	<p>Provides for achieving equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure equitable representation in all occupational categories and levels in the workforce.</p>
<p>Public Administration Management Act, 2014</p>	<p>The objects of this Act are to:</p> <ul style="list-style-type: none"> • Promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution; • Provide for the transfer and secondment of employees in the public administration; • Regulate conducting business with the State; • Provide for capacity development and training; to provide for the establishment of the National School of Government; • Provide for the use of information and communication technologies in the public administration; • Establish the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit; • Provide for the Minister to set minimum norms and standards for public administration; • Establish the Office of Standards and Compliance to ensure compliance with minimum norms and standards; • Empower the Minister to make regulations; and • Provide for related matters.
<p>Basic Conditions of Employment Act, 1997 (Act 75 of 1997)</p>	<p>The Basic Conditions of Employment Act, No 75 of 1997 gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation.</p> <p>The Basic Conditions of Employment Amendment Act, No 20 of 2013 was published and became effective on 1 September 2014.</p>

<p>The Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)</p>	<ul style="list-style-type: none"> • As these relate to the Property Sector and, in particular but without limitation, inter alia, to: <ul style="list-style-type: none"> ○ promote economic transformation in the Property Sector to enable meaningful participation of black people and women; ○ unlock obstacles to property ownership and participation in the property market by black people; ○ promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and ○ facilitates the accessibility of finance for property ownership and property development. <p>Section 1, Section 6 and Section 13: To ensure that B-BBEE requirements are adhered to within the SCM prescripts and policies.</p>
<p>Skills Development Act, 1998</p>	<p>The Skills Development Act aims to expand the knowledge and competencies of the labour force in order to improve productivity and employment.</p>
<p>Labour Relations Act, 1995 as amended (Act 66 of 1995)</p>	<p>Makes provision for a framework for labour related issues for employers, employees, employer organisations and trade unions. It also regulates the fundamental rights of workers and employers.</p>
<p>Protected Disclosure Act, 2000 (Act 26 of 2000)</p>	<p>Encourage people to report serious wrongdoing in their workplace by providing protection for employees who want to 'blow the whistle'. This applies to public and private sector workplaces.</p>
<p>The Promotion of Access to Information Act, 2000 (Act 2 of 2000)</p>	<p>To ensure availability of records in accordance with PAIA.</p>
<p>The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)</p>	<p>To establish fair administrative processes to ensure those affected by the administrative decisions have necessary recourse.</p>
<p>The National Archives and Record Service of South Africa Act, 1996</p>	<p>Section 13.5: To provide systems, policies and procedures for proper management, care, preservation and use of departmental records.</p>

POLICIES AND STRATEGIES SUPPORTING THE MANDATE	
DPW White Paper: Public Works, Towards the 21st Century (1997) [White Paper (1997)]	Documented the challenges facing the Department and continues to serve as an overarching policy framework for the Department's restructuring process. This has led to directing the Department to meet Government's socio-economic objectives by becoming a client-orientated organisation which will focus on policy and service reform; property investment, property and facilities management and the implementation of the National Public Works Programmes.
DPW White Paper: Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999 [White Paper (1999)]	The White Paper (1999), sets out Government's policy objectives for the construction industry and focuses on the need to enhance delivery, achieve greater stability, improve industry performance, create value for money and facilitates growth of the emerging construction sector.
Construction Sector Transformation Charter, 2006 (Charter 2006)	The Charter 2006, inter alia, aims to: <ul style="list-style-type: none"> • Provide the construction sector with the first quantitative method of monitoring and evaluating the progress of an enterprise towards achieving Broad-Based Black Economic Empowerment targets and thereby contributing to ending the malpractice of fronting; • Expand the employment potential and absorption capacity of the sector by using labour-intensive approaches where, economically feasible and possible; and • Address skills development in a manner that accelerates the advancement of black people, women and designated groups with particular emphasis on learner-ships, as well as technical and management training.
Property Sector Transformation Charter, 2007 (Charter 2007)	The Charter 2007 aims to promote the objectives contained in Section 2 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) [BBBEE Act] as these relate to the Property Sector and, in particular but without limitation, inter alia, to: <ul style="list-style-type: none"> • Promote economic transformation in the Property Sector to enable meaningful participation of black people and women; • Unlock obstacles to property ownership and participation in the property market by black people;

	<ul style="list-style-type: none"> • Promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and • Facilitate the accessibility of finance for property ownership and property development.
<p>Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007 (PMS BBBEE 2007)</p>	<p>The objective of the PMS BBBEE 2007 is to:</p> <ul style="list-style-type: none"> • Address skewed property and equity ownership in the property industry in the country; and • Promote black participation in the property industry through management, control and procurement.
<p>Green Building Framework, 2001</p>	<p>This Framework outlines the Department's commitments to address key elements in the New Growth Path and the Industrial Policy Action Plan by promoting sustainable development, reducing greenhouse gas emissions, promoting energy efficiency, stimulating new green industries, etc.</p>

3. Institutional Legislation, Policies and Strategies and government-wide alignment over the Five Year Planning Period

3.1 Institutional Legislation, Policies and Strategies

Emanating from DPWI's strategic planning process, the following pieces of legislation, policies and strategies were identified as per Table A 4 as critical interventions that would assist the Department in realising the intended impact and identified outcomes over the five-year period. Some of the old existing acts will be reviewed and possibly be amended or repealed in order to give effect to the current environment:

Table A 4: Institutional Legislation, Policies and Strategies

<i>IDENTIFIED INSTITUTIONAL LEGISLATION</i>	
<i>Legislation</i>	
<ul style="list-style-type: none"> • The introduction of the Expropriation Bill to Parliament and its enactment. • Development of the Public Works General Laws and Repeal Bill² • Amendment of the Construction Industry Development Board Act, 2000 (Act 38 of 2000) • Drafting of the Public Works and infrastructure Bill³ • Formulation and approval of the Regulations for the Infrastructure Development Act 	
<i>POLICIES AND STRATEGIES</i>	
DPWI Outcome/s	Identified Institutional Policies/Strategies
A Resilient, Ethical and Capable DPWI	<ul style="list-style-type: none"> • Implementation of the 6 pillars of the National anti-corruption strategy (NACS.) • Organisational and Employee Performance Management Strategy – alignment and cascading of Strategy, Annual Performance and Operational Plans with an automated performance management system • Retention of core competencies and requisite experience through the Retention Policy. • Digital Transformation Strategy - enable strategy through technology, including e-gov. • Organisation-wide ICT Change Management Strategy – to enhance organisational techno savvy capacity.
Integrated Planning and Co-ordination	<ul style="list-style-type: none"> • Implementation of an effective DPWI Sector-wide Monitoring and Evaluation Strategy and an automated performance reporting system.

² The intention of the Bill is to repeal outdated, redundant and obsolete pieces of legislation relevant to the Public Works and Infrastructure mandate.

³ This drafting will be based on the 1997 and 1999 Public Works White Papers cited above under “Policies and Strategies Supporting the Mandate”.

	<ul style="list-style-type: none"> • Develop and implement a Stakeholder Value Management Strategy (to coordinate external stakeholders outside the sector). • Continue the implementation of the urban regeneration precinct planning, with Salvokop being the lead project and test case. • Expedite the 3 smart cities programme. • Programme manage the New City Initiative starting with the development of a brief for the Master plan.
<p>Sustainable Infrastructure Investment</p>	<ul style="list-style-type: none"> • Review and roll-out of the Infrastructure Delivery Management System (IDMS)⁴. • Develop an Infrastructure Investment Strategy based on research into international best practices and lessons learned. • Infrastructure Development Strategy and Plan in terms of the Infrastructure Development Act to enable targeted, demand-driven infrastructure development and investment across the lifecycle. • In terms of the Infrastructure Development Act, formulation of the 30-40 year National Infrastructure Plan, informed by the National Spatial Development Framework and the District Development Model. Review of the Strategic Infrastructure Projects (SIPs), Cabinet approved projects and other projects in terms of the new inclusive DPWI mandate. • Develop and Implement a Project Performance and Monitoring System (Investment in Construction-related Technology). • Infrastructure Modular Strategy and costed Design Manual for all public facilities. • Upscale the rural bridges programme and ensure implementation so as to link communities and prevent drowning of children crossing rivers.
<p>Productive Assets</p>	<ul style="list-style-type: none"> • Implementation of Green Building Policy to inform the development and implementation of two Green Building Rating Tools for all new and selected existing buildings, coupled with the implementation of the PV Programme for all government buildings. • Utilisation Optimisation Strategy intended to optimise portfolio utilisation to improve productivity, save costs, improve efficiencies and freeing up for other use

⁴ This system assists government to manage planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure.

	<ul style="list-style-type: none"> • Disposal Strategy developed to guide the strategic releases of immovable assets gratis (donation) for purposes of land reform and human settlement, in support of government strategic key imperatives. Further, various legislations require that DPWI derives the highest and best possible value from its immovable assets to enhance revenue generation. • Cost Containment Strategy - In addressing the fiscal constraints faced by Government, the DPWI must focus of devising strategies and initiating plans to extract maximum value-for-money from the property portfolio by <i>arresting exorbitant expenditure and quantifying potential savings</i>. • Return on Investment Optimisation Strategy to optimise surplus for utilisation and comprehensive revenue generation • Development and implementation of revised Resource Efficiency Interventions and Capacity Building Strategy in Regions. • Acquisition Strategy - Notwithstanding the extensive magnitude and widespread dispersal of the DPWI portfolio throughout the country, there are numerous instances where the holdings therein do not permit the Department to accommodate the requirements of its User Department. Although every effort to ensure optimum utilisation of its property portfolio, the Department is frequently faced with the necessity to acquire stock in the form of land and/ or buildings to provide the necessary accommodation for government services. • Backlog and Maintenance Strategy intended to improve the state of the portfolio to better deliver services. The delivery and maintenance of infrastructure is a critical intervention to turn around an economy trapped in structural problems that reproduce low levels of growth, a high rate of unemployment and massive poverty.
<p>Optimised Job Opportunities</p>	<ul style="list-style-type: none"> • Review and implement the Procurement Framework for the property and construction industry. • Restructuring of the Expanded Public Works Programme (EPWP), EPWP Coordination Strategy to be developed to guide how DPWI monitors, evaluates and reports on EPWP performance by implementing bodies across the country. Furthermore, it is intended to ensure functionality of coordination mechanisms, and direct the process of developing the 5-year implementation Plan.

	<ul style="list-style-type: none"> • Enable the mainstreaming of EPWP across the built environment sector, in all three spheres of government.
<p>Transformed Built Environment</p>	<ul style="list-style-type: none"> • In order to address the Spatial Transformation Agenda, establishment of a joint working committee between the Department and other National, Provincial and Local Departments responsible for Land Reform and Human Settlements, for the purpose of Land Release under the custodian of the Department. • Built Environment Professions Development Strategy outlining areas for skills development in terms of the Skills Gap Analysis and identified interventions process for creating a multidisciplinary team internally to the Department; addressing the value chain empowerment initiatives (from cradle to economic sustainability), including facilitating the registration into the professional bodies to inform economic sustainability of designated groups in the built environment • Revise and implement transformative SCM Prescripts and Procurement Policy. • Review, implement and monitor the Contractor Development Programme, including ring-fenced projects, in partnership with the CIDB. • Aggressive implementation of Contractor Development/ Incubator Programme in the procurement of construction related services (i.e. Capital Projects and Built Environment Professional Services at design stage and execution stage of construction/major maintenance projects in conjunction with 2017 Preferential Procurement Regulation, in partnership with the CIDB. • Aggressive Implementation of Property Management Empowerment Policy on property related services (i.e. Facilities Management-hard/planned (maintenance) & soft services, leasing, property brokering, etc., in conjunction with 2017 Preferential Procurement Regulation.
<p>Dignified Client Experience</p>	<ul style="list-style-type: none"> • Develop and implement a Stakeholder Value Management Strategy to enhance departmental clients' satisfaction. Improve Business Processes, Standard Operating Procedures (SoPs) and Service Delivery Standards in line with Batho Pele Principles.

3.2 Alignment to NDP and MTSF

The DPWI Outcomes, which have been unpacked in the tables in section 3.1 of the Strategic Plan, together with their institutional policies, strategies and priorities that will be implemented over the five-year period, are essentially aligned to the National Development Plan and seven National priorities. They are aligned as per Table A 5:

Table A 5: DPWI Outcomes Alignment to the MTSF

Impact (ultimate result)	DPWI Outcomes	MTSF Priority	MTSF Outcome
Infrastructure-led Economic Growth	Transformed Built Environment	Priority 5: Spatial integration, human Settlements and local government	A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas.
Infrastructure-led Economic Growth	<ul style="list-style-type: none"> Productive Assets Sustainable Infrastructure Investment 	Priority 2: Economic transformation and job creation	Inclusive economic growth.
Infrastructure-led Economic Growth	Sustainable Infrastructure Investment	Priority 7: A better Africa and world	Increased investment opportunities for foreign direct investment in the South African economy.
Infrastructure-led Economic Growth	Integrated Planning and Coordination	Priority 5: Spatial integration, human Settlements and local government	<ul style="list-style-type: none"> Reduced vulnerability of key sectors to climate change. Reduction of total GHG emissions in South Africa.
Infrastructure-led Economic Growth	Integrated Planning and Coordination	Priority 5: Spatial integration, human Settlements and local government	Reduced waste disposal by landfill and improved state of ecology.
Infrastructure-led Economic Growth	Optimised Job Opportunities	Priority 2: Economic transformation and job creation	Creating more decent jobs.
Infrastructure-led Economic Growth	Transformed Built Environment	Priority 2: Economic transformation and job creation	Increased ownership and participation by historically disadvantaged individuals.
Infrastructure-led Economic Growth	Transformed Built Environment	Priority 2: Economic transformation and job creation	Competitive and accessible markets through reduced share of dominant firms in priority sectors.
Infrastructure-led Economic Growth	Transformed Built Environment	Priority Cross Cutting: Economic transformation and job creation	Zero discrimination based on gender.
Infrastructure-led Economic Growth	Transformed Built Environment	Priority 3: Education, skills and health	Improved education, training and innovation.
Infrastructure-led Economic Growth	Transformed Built Environment	Priority 3: Education, skills and health	Improved employability of youth through skills training.
Infrastructure-led Economic Growth	Resilient, Ethical and Capable DPWI	Priority 1: A capable, ethical and developmental state	Integrated government and social compact with the citizenry.
Infrastructure-led Economic Growth	Resilient, Ethical and Capable DPWI	Priority 1: A capable, ethical and developmental state	Ethical, efficient operations and effective accountability mechanisms.
Infrastructure-led Economic Growth	Sustainable Infrastructure Investment	Priority 7: A better Africa and world	Increased investment opportunities for foreign direct investment in the South African economy.

3.3 Implementing the Ministerial Priorities

The following Ministerial Priorities have been incorporated into the planning processes of the Department as per Table A 6:

Table A 6: Implementing the Ministerial Priorities

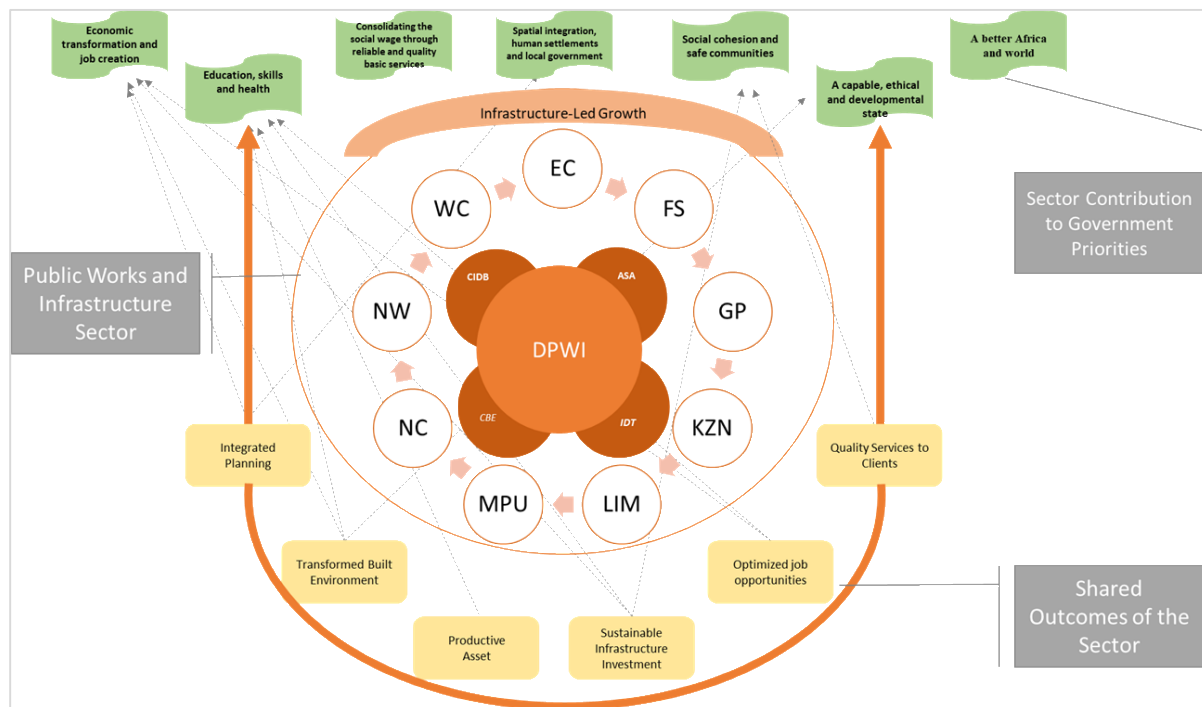
<i>IMPLEMENTING THE MINISTERIAL PRIORITIES</i>	
Minister's Priority Area	Priorities/ Strategies to implement Ministerial Directives
Spatial transformation and social justice	<ul style="list-style-type: none"> • Planning and development of the New City initiative that will facilitate the principles and practices of spatial transformation, urban efficiencies and the deployment of smart, green technologies. • The strategic use of public land and buildings through innovative social and economic partnerships, to give effect to social justice, poverty alleviation and transformation of the built environment. • Alignment to the NSDF priorities, focusing on the 44 district municipalities (District Based Service Delivery Model), in order to focus of poverty alleviation and the improvement of the quality of life. • Land release to support land reform programme in an integrated, spatially just manner. • Through integrated planning, small towns and rural areas can become viable and attractive spaces for households, businesses and institutions. • Surplus assets put to use for public good and to facilitate spatial transformation, through letting, redevelopment and/or disposal to ensure portfolio vacancy is at minimum. • All new infrastructure is to be developed at a standard that facilitates spatial integration and sustainable lifecycle management and existing infrastructure should be upgraded and maintained to a spatially just standard.
Dignified client experience	<ul style="list-style-type: none"> • Service delivery to be reoriented towards redefining the dimensions of the client (client department, user client and recipient client). • A service delivery value chain is also essential to ensure quality, quantity and the focused addressing of identified needs. • Value for money within the infrastructure lifecycle. • Maintenance Backlogs to be addressed to provide our Clients the dignified experience they deserve. • Determination of costed modular design of public infrastructure and facilities across the lifecycle.

<i>IMPLEMENTING THE MINISTERIAL PRIORITIES</i>	
Economic transformation and job creation	<ul style="list-style-type: none"> • DPWI and its Public Entities projects and programmes will be refocused towards achieving infrastructure-led economic growth. • Restructuring of the EPWP Programme to facilitate the mainstreaming of the Programme within the built environment industry and within all spheres of government and having an influence on the education environment. • Establishing an empowerment programme in infrastructure maintenance for women, youth and for persons with disabilities. • Planning for productive infrastructure investment and development of accommodation solutions that addresses economic transformation and job creation. • Ensure that all of the infrastructure grants have implementable, functional criteria that focus on achieving universal access.
Accelerated infrastructure investment for economic growth	<ul style="list-style-type: none"> • In accordance with the Infrastructure Development Act, develop and begin implementing the National Infrastructure Plan. • Work in partnership with the private sector on infrastructure investment that will facilitate spatial integration and economic regeneration. • In partnership with the IIO, develop the strategic direction for infrastructure pipeline planning, bankability, oversight and investment. • Perform the oversight role for infrastructure development implementation and investment, including oversight of the Infrastructure Fund and the Budget Facility for Infrastructure. • Rollout the PV Programme on all government buildings. • Upscale the rural bridges programme.

3.4 Direct Links to Sectoral, Provincial and Entity Priorities

Strategic plans of National Departments need to make sure that they support or give effect to sectoral, provincial and entity priorities as illustrated below in Figure A 2.

Figure A 2: Direct links to Sectoral, Provincial and Entity Priorities



The DPWI and its Public Entities and its sector family partners – the Provincial Departments of Public Works will work together under a commonly-designed agenda. This approach will foster appropriate planning since it takes into account diverse perspectives and impacts, allowing decision makers to find optimal solutions to critical issues, as well as effective ways to respond to those issues. The sector will be guided by the SONA and SOPA priorities in developing a set of common outcomes, initiatives and strategies. Figure A1 serves as the Sector’s strategy map.

3.5 Direct Links to Other Plans

In development of its strategic plan, the DPWI also took the following National plans into consideration as per Table A7.

Table A 7: Direct links to any other plans (relevant to the mandate)

DIRECT LINKS TO ANY OTHER PLAN (RELEVANT TO THE MANDATE)	
Relevant Plan	Priority/ Strategic Linkage
Job Creation	The Department endeavors to structure programs and projects to support the job creation initiatives by the government.

Gender-Based Violence and Femicide	The Department endeavors to structure programs and projects to support the fight against Gender-Based Violence and Femicide.
Accelerated Public Infrastructure Investment	<ul style="list-style-type: none"> • The Department endeavors to structure programmes and projects to accelerate Infrastructure investment leveraging of the seed fund over the 5-year period. • Effective government-wide socio-economic infrastructure investment coordination.
Outcomes of the Presidential Jobs Summit	Identify and provide suitable land supporting land reform programmes and sustainable human settlements; and implement labour intensive projects.

4. Relevant Court Rulings

The following court rulings as presented in Table A8, remain relevant:

Table A 8: Relevant Court Rulings

Case Number: 22240/2013	
Applicant:	Berry Dust52 (PTY)LTD
Respondent:	Minister of Public Works
Mini Summary:	Claim for damages on expiry of the lease and arrears rental until hand- back of the building. The judgment was in favour of the Plaintiff due to the fact that the Department retained possession of the premises until final hand back/over of the premises to the Plaintiff.
Judgment:	<p>The DPWI was ordered to be liable for:</p> <ul style="list-style-type: none"> • Payment of rent from 1 March 2012 to 18 December 2012 when the building deemed to have been unavailable for renting by landlord • Repair of outstanding items on the day of the hand over • Pay costs for determination of liability.
Remedial Action (policy/strategy) to reduce or avoid recurrence):	That the DPWI ensure that upon termination of lease agreement that the leased premises are restored back to pre-lease condition and that the possession of the property is restored to the landlord within a reasonable period in order to avoid fruitless expenditure associated with costs.

Case Number: 89732/2018	
Applicant:	Appolis Builders cc
Respondent:	Minister of Public Works & Others
Mini Summary:	<p>Claim for declaratory order that the Applicant has a right to fair and just administrative action as set out in the PAJA and an interdict directing that the Respondent complies with the Portfolio Committee directive within 30 days of the date of order.</p> <p>Applicant's case was based on a contract awarded by the DPW in respect of the upgrade of the De Aar Magistrate Court, which was terminated as a result of the Applicants breach of contract.</p> <p>However, the litigation matter was still pending when the Applicant issued an application for declaratory in terms of which the Applicant alleged that the Chairperson of the Portfolio Committee in Parliament had issued a directive to the Director General and the Minister of Public Works to settle the claims of the Applicant.</p>
Judgment:	Application was dismissed with costs on the basis that the Applicant has not made out a case for declaratory relief sought and that the Applicant failed to establish its alleged rights, injury and no any other alternative remedy based on the directive.
Remedial Action (policy/strategy) to reduce or avoid recurrence):	It is important upon the officials of the Department and the Parliament to ensure that the pronouncements on any issue are made in writing in terms of the empowering provisions in order to ensure that the members of the public and service providers of the DPWI do not rely on directives which do not have any force of law in instituting legal action against Government and only to be ordered that the directive is of no force of law and be issued with an adverse costs order.

Case Number: J3106/18 & J3473/18	
Applicant:	PSA on behalf of Members of Police and Prisons Civil Rights Union (POPCRU)

Respondent:	Minister of Public Works & Minister of Justice and Correctional Services and Others
Mini Summary:	The Applicant acted on behalf of its members employed by the Department of Health who work in the Civitas Building. The claim was based on the non-compliance with the provisions of the Occupational Health & Safety Act (OHSA) by the Department of Health and Public Works in that the PSA alleged that the state owned building was unsafe and posed a risk to the health of the employees based on the expert report issued by National Institute for Occupational Health in respect of indoor air quality survey and an area noise amongst others. The Applicant were seeking an order directing that the employer must relocate the Applicant's members to a safer working environment free of risks and hazards.
Judgment:	Applications were dismissed with costs due to lack of jurisdiction by the Labour Court to grant such prayers in terms of Section of the Occupational Health and Safety Act against the Department of Public Works and the Minister who are not employers of the Applicant's members since there is no matter that arises between them and the Applicant's members either by Labour Relations Act or any other law.
Remedial Action (policy/strategy) to reduce or avoid recurrence):	The DPWI should consider constantly engage with client Departments in order to ensure that the plans for maintenance of buildings accommodating clients are adhered to at all material times in order to avoid exposing client departments to unnecessary litigation by employees under circumstances where such maintenance issues could be resolved through continuous engagements by parties including employees who are also important stakeholders.

Case Number: 62272/2017

Applicant:	Kingsley Jack White away Seale & Others
Respondent:	Minister of Public Works and Others
Mini Summary:	The dispute was whether or not the Applicants have a personal or real right of access for purposes of fishing and boating in and on the Hartebeespoort Dam, issue of acquisitive prescription of a servitude and the loss through non-use also featured in the application

Judgment:	Application dismissed with costs by the Court on the basis that the Applicants have approached the Court in 2017 seeking to enforce rights which have been granted to Mr Schoeman in 1918 and 1922 which rights have by all accounts lapsed.
Remedial Action (policy/strategy) to reduce or avoid recurrence):	This judgment highlights the importance of Government to keep proper records of the title and ownership of the land and buildings falling under its custodianship in its immovable asset register which is constantly updated in order to ensure that disputes around ownership of these immovable assets are minimised thereby causing Government to incur unnecessary cost in enforcing its rights against other claimants.



Annual Performance Plan 2020/2021

Part B

5. Vision and Mission

The DPWI vision is aiming at painting an inspiring picture of a preferred future. It is not time-bound and serves as a foundation for all policy development and planning, including strategic planning. The DPWI's vision is:

“A trusted choice for innovative asset management and quality Infrastructure delivery for sustained economic growth”

The Mission is: “To provide strategic direction and quality services that offer innovative and proactive socio-economic Infrastructure delivery and maintenance of public assets while protecting the environment and the cultural and historic heritage, safety in the working environment and safer communities towards sustainable development.”

6. Values

We **PRIDE** ourselves with the following values:

- **Professionalism:** by demonstrating a high degree of skill, competency and character.
- **Responsiveness:** by anticipating the needs of the clients and the citizens we serve.
- **Integrity:** by consistently honouring our commitments, upholding ethical, honest behaviour and transparent communication.
- **Dependability:** by being trustworthy and reliable in the services we provide.
- **Efficiency** – by striving towards simplified ways of doing things and optimize client's mandate thus creating more value

7. Situational Analysis

The situational analysis process is intended to ensure that the operational environment (*internal and external*) is thoroughly analysed and comprehended by the organisation to inform the planning process and to effectively land the strategic plan. As form of force field analysis, the areas outlined below aim to provide a simple means of capturing the forces, trends, interests or other aspects that may either drive or support the 2020-25 Strategy towards the realisation of the Medium Term Strategic Framework targets, or work against it.

7.1 External Environment Analysis

The economic overview encompasses detail related to the global and local economic environment which influences the functions and activities of the DPWI.

GLOBAL ECONOMIC OVERVIEW

Following the global economic slowdown experienced in the first half of 2019, positive signs have emerged in the second half of the year; characterised by numerous economies shifting towards an accommodative monetary policy, reduced uncertainty concerning Brexit, and slightly better news on the US-China trade negotiations. The International Monetary Fund's (IMF) January World Economic Outlook (WEO) estimated global growth for 2019 at 2.9%, which is a 0.1% downward revision of the rate forecasted in the October WEO.

Global growth is expected to improve for 2020 and 2021 to 3.3% and 3.4% respectively. Despite the positive signs, downsides risks remains prominent and can hamper growth should they materialise; the main risks being geopolitical tensions and higher tariffs between US and its trading partners. Increase in energy prices is amongst the main factors leading to increase in input prices and subsequently overall prices. If world energy prices stabilise as predicted by the IMF, this can help reduce uncertainties both globally and in the domestic economy.

As detailed in the 2018 edition of the Global Competitiveness Report published by the World Economic Forum, South Africa is the 67 most competitive nation in the World out of 140 countries as presented in Figure B 1.

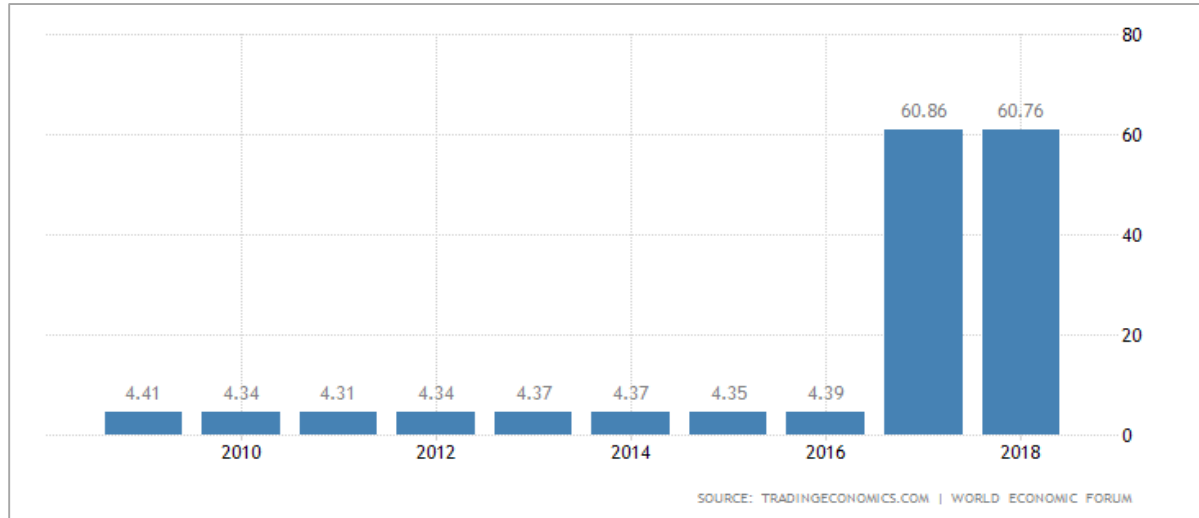
Figure B 1: Global Competitiveness Ranking



Linked to the global competitiveness ranking, Figure B 2 indicates that South Africa scored 60.76 points out of 100 on the 2018 Global Competitiveness Report published by the World Economic Forum. The competitiveness Index in South Africa averaged 13.79

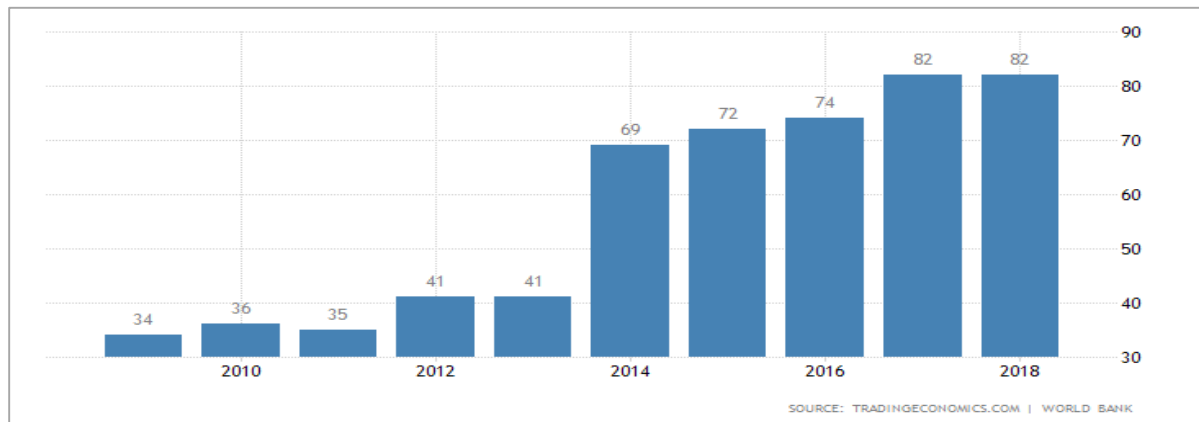
points from 2007 until 2018, reaching an all-time high of 60.86 points in 2017 and a record low of 4.31 Points in 2011.

Figure B 2: Competitive Index



Linked to the competitive index as presented in Figure B 3, South Africa is ranked 82 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. Ease of Doing Business in South Africa averaged 54.36 from 2008 until 2018, reaching the lowest ranking of 82 in 2017 and a record highest ranking of 32 in 2008.

Figure B 3: Ease of Doing Business

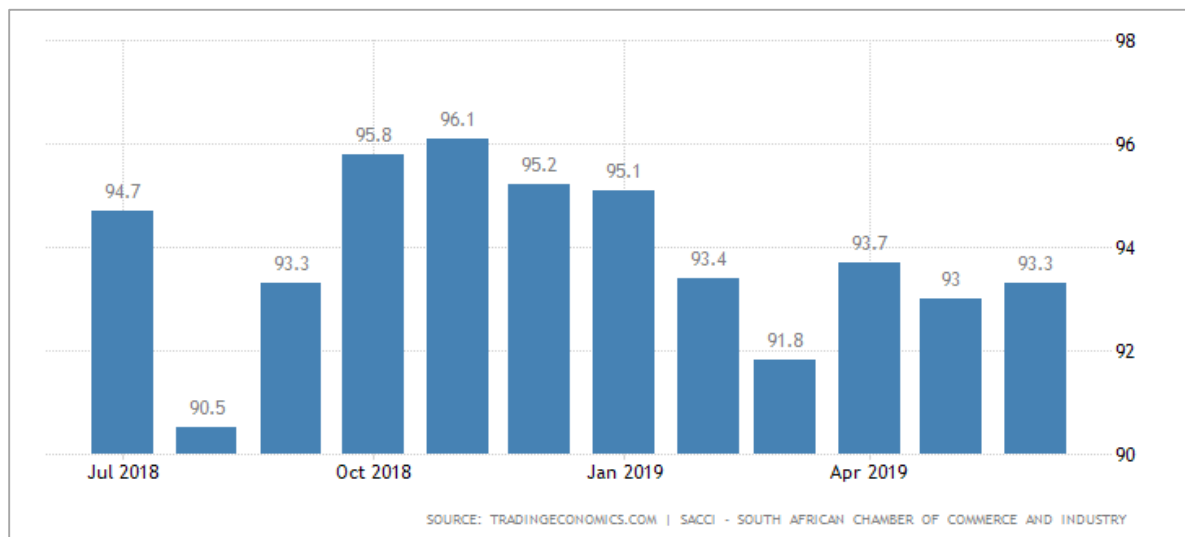


Despite the ease of conducting business in South Africa, the country scored 44 points out of 100 on the 2019 Corruption Perceptions Index reported by Transparency International. The Corruption Perception Index in South Africa averaged 46.62 points from 1996 until 2018.

South Africa is the 70th least corrupt nation out of 180 countries, according to the 2019 Corruption Perceptions Index reported by the Transparency International. The corruption

rank in South Africa averaged 51.39 from 1996 until 2018. This corruption ranking influenced the Business Confidence Index (BCI) of international investors. According to the South African Chamber of Commerce and Industry (SACCI) the Business Confidence Index (BCI) related to South Africa rose slightly to 93.3 in June 2019 from 93.0 in the previous month, but still remained below levels seen in 2018, which adds to the risk that the economy could fall into its second recession since 2009 as can be viewed in Figure B 4. In general, investors see little progress in economic reforms since 2019.

Figure B 4: BCI Index



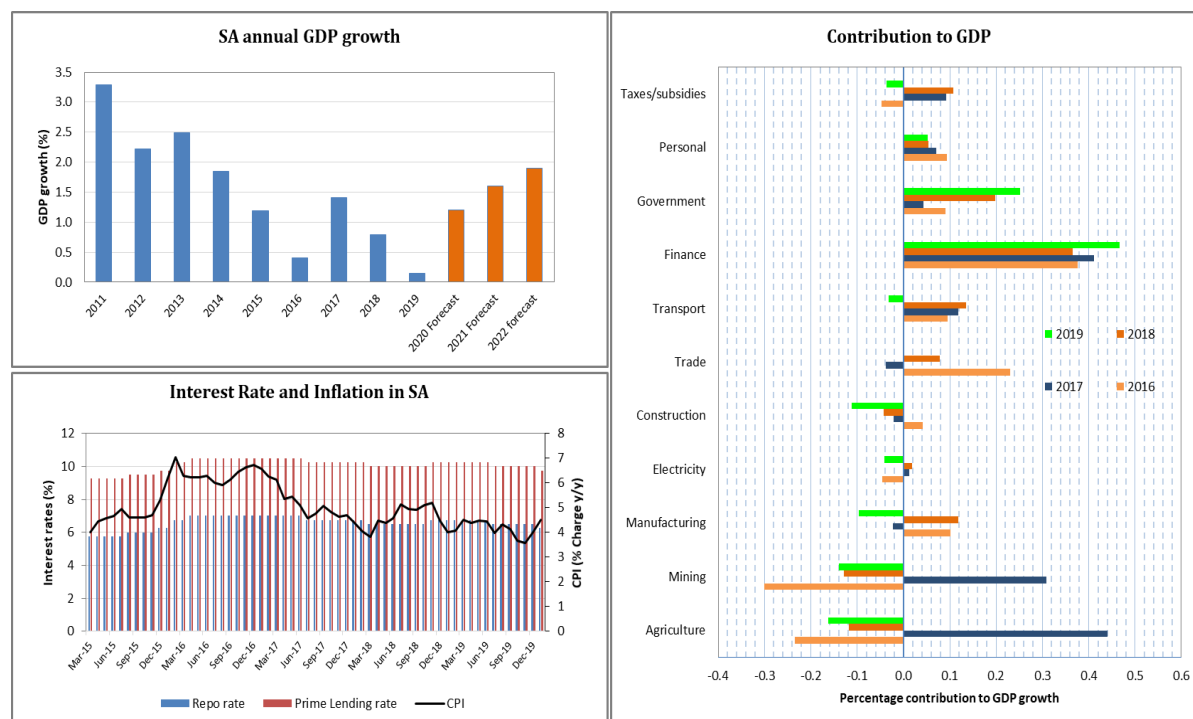
The Rand Merchant Bank/Bureau for Economic Research (RMB/BER) Business Confidence Index ⁵in South Africa stood at 28 in the second quarter of 2019, unchanged from previous period. It remains at the lowest level since the second quarter of 2017, as sentiment deteriorated sharply among new vehicle dealers and manufacturers. Meanwhile, slight improvements were seen in building, retail and wholesale trade sectors.

LOCAL ECONOMIC OVERVIEW

According to StatsSA, the local Gross Domestic Product (GDP) (seasonally adjusted and annualised quarter on quarter) decreased by 3.2% in the first quarter, followed by a 3.1% growth in the second quarter, a 0.6% reduction in the third quarter and a 1.4% decrease in the last quarter of 2019. The preliminary indicators for 2019 suggests that the annual growth was 0.2%. Figure B 5 shows the actual and forecasted annual GDP growth, contribution to GDP by sector (last four years) as well as changes in the consumer price index (CPI) and the policy interest rates.

⁵ The composite RMB/BER Business Confidence Index (BCI) is the unweighted mean of five sectoral indices, namely that of manufactures, building contractors, retailers, wholesalers and new vehicle dealers. (www.ber.ac.za › BER Documents › BER-Business-Confidence-Index)

Figure B 5: South African Economic overview charts



(Reserve Bank, StatsSA, IMF Jan 2020 WEO)

In January of 2020, the South African reserve bank revised growth estimates for 2019 downwards to 0.4%. Growth is expected to increase to 1.2% and 1.6% in 2020 and 2021 respectively. Since 2017, the construction sector has only been able to contribute positively to GDP growth in one quarter (second quarter of 2018). Effective implementation of infrastructure plans is necessary to reverse the prolonged decline in the sector. From an expenditure side, gross fixed capital formation has been decreasing, this implies that the country's fixed investment or capital spending has not been growing.

Inflation, as shown by the change in the Consumer Price Index (CPI) has remained within the targeted range since early 2017; and has been below 5% for 2019. Price changes are crucial in the department's transacting and contracting environment. Building costs and contract prices adjustment have a large impact on construction projects' costs. Escalations on leases or maintenance contracts are impacted by the general price levels in the country. To navigate out of the current economic landscape of low growth, activity should improve from all parties - government, household and private firms.

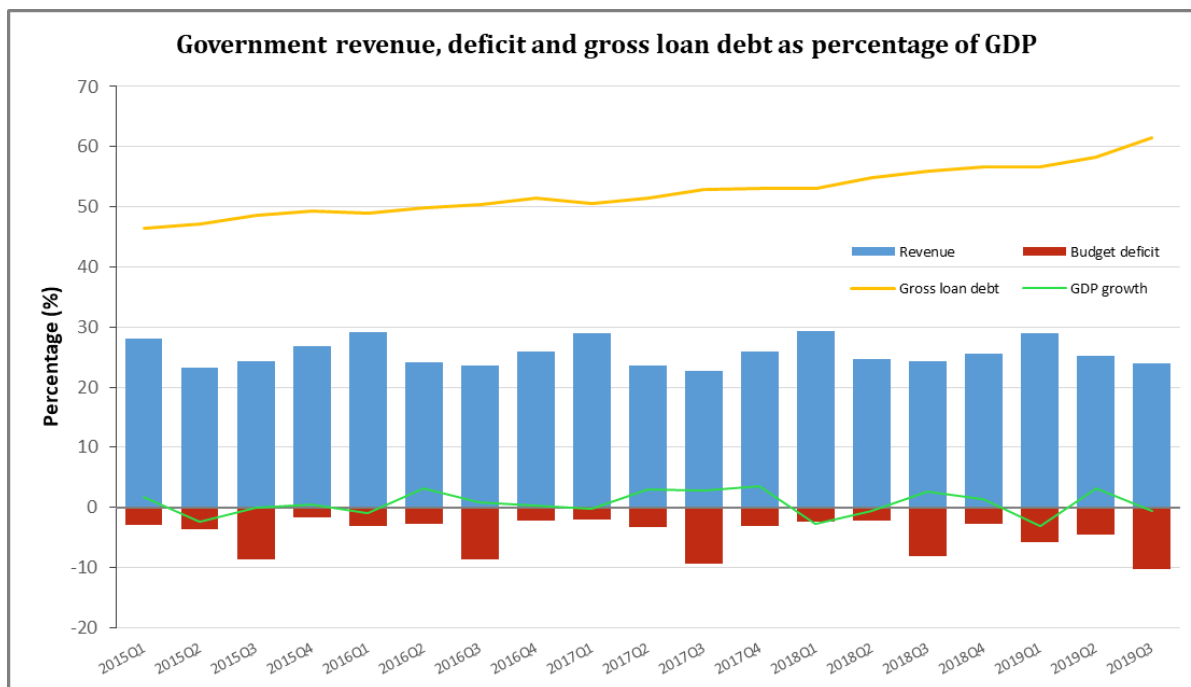
Related to the above, there are a number of lessons learnt and actions required to ensure that the objectives of the DPWI can be achieved. For example, as statistic related to the ease of doing business in South Africa is low considering the opportunities that exists and the interest that the private sector has in investing in South Africa. This needs to be improved as a matter of urgency, by focusing on reducing the bureaucracy and addressing the regulatory constraints. Current building costs and the quality of building material must also be investigated to ensure that raw resources used for the construction

of infrastructure are of good quality. It is also important to explore opportunities to attract international investment. A task team may be set up to determine ways in which international investors may be attracted to invest in infrastructure development in South Africa.

PUBLIC FINANCE

Government is facing a number of funding challenges. As indicated in Figure B 6, revenue received by government has been consistently lower than the required spending, resulting in a deficit for all quarters since 2015. The deficit thus intensifies the level of government debt, which is already higher than desired, measuring 58.5% and 61.3% of GDP in the second and third quarters of 2019 respectively. The level of national debt is crucial to the Department, given that the majority of its clientele are national government departments and its part dependency on the national budget vote. This challenge raises two critical priorities to the department; firstly, is the need to generate revenue from other sources other than the fiscal budget; and secondly, to find solutions to deal with decreasing or slow growing user departments' budgets.

Figure B 6: Government revenue, deficit and gross loan debt as % of GDP



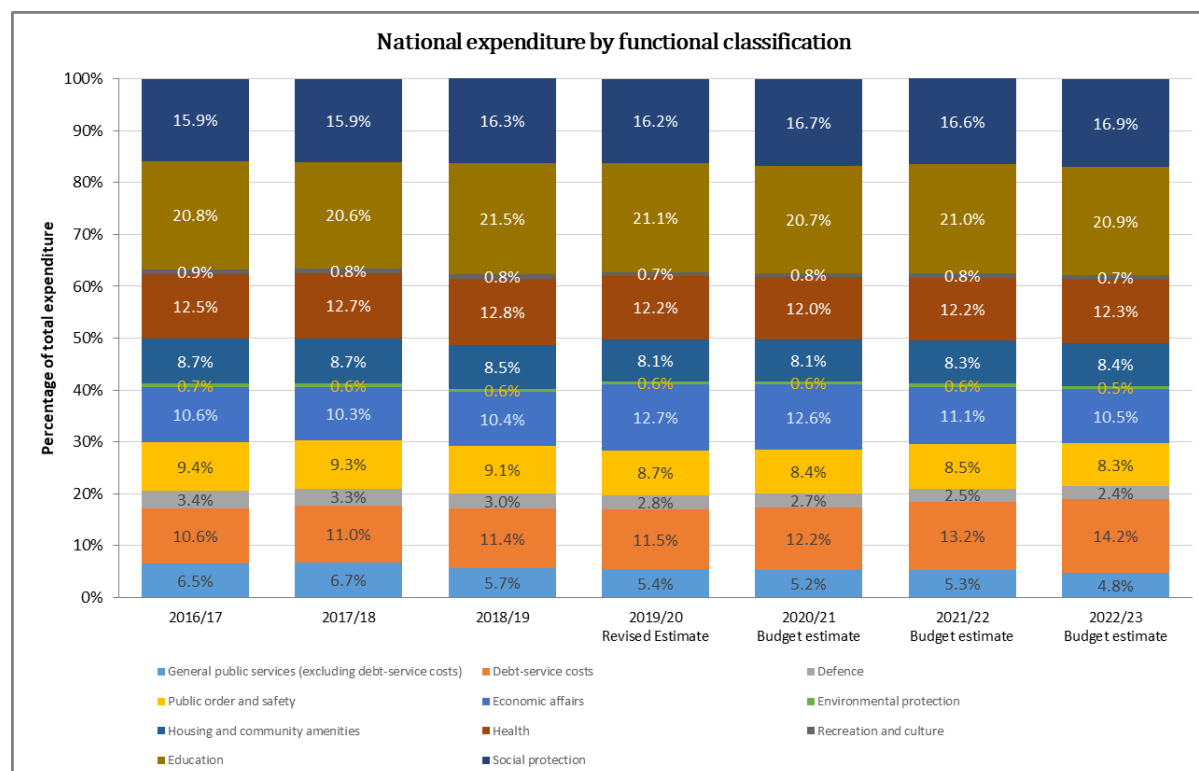
(Reserve Bank, StatsSA, SARS, 2020)

Linked to government revenue, deficit and gross loan debt, Figure B 7 shows consolidated national (national government, provincial government and social security funds) expenditure by functional classification for the last three financial years and estimated budgets for the medium term as a percentage of total government expenditure as extracted from the 2020 budget tables published by National Treasury.

The total budgeted expenditure for 2020/21 is R1.88 trillion, which is a 5.5% increase from the 2019/20 revised estimate. Social protection and Debt-service costs have been taking a larger share of the expenditure in recent years compared to before; they are estimated to grow respectively from 15.9% and 10.6% in 2016/17 to 16.9% and 14.2% of expenditure by the year 2022/23. The growth in debt service costs is of more concern as it redirects funds away from conventional government spending.

Recent pronouncements by rating agencies also have a potential to increase debt-service costs as the cost of borrowing for the state is likely to increase. For the department, it is essential that any budget that is allocated, either for capital or maintenance works, is used. To this effect, internal capacity and efficiency should be optimised to ensure that available funds are managed as planned to avoid budget re-allocations and reductions due to underspending.

Figure B 7: National Expenditure by Functional Classification



(National Treasury, 2020)

The decrease in Public Order and Safety, Defence and Economic Affairs budget allocations is a concern as departments within these classifications are amongst DPWI's major clients. In such an environment, agreements with client departments and the National Treasury should be such that the DPWI is not left in an unfavourable position when clients' budget are reprioritised. To explore the influence of public finance on the DPWI's activities, it is important to focus in more detail on the sustainability of the property

sector, influence of financial sustainability on supply chain management and the influence of financial sustainability on the DPWI's immovable asset register.

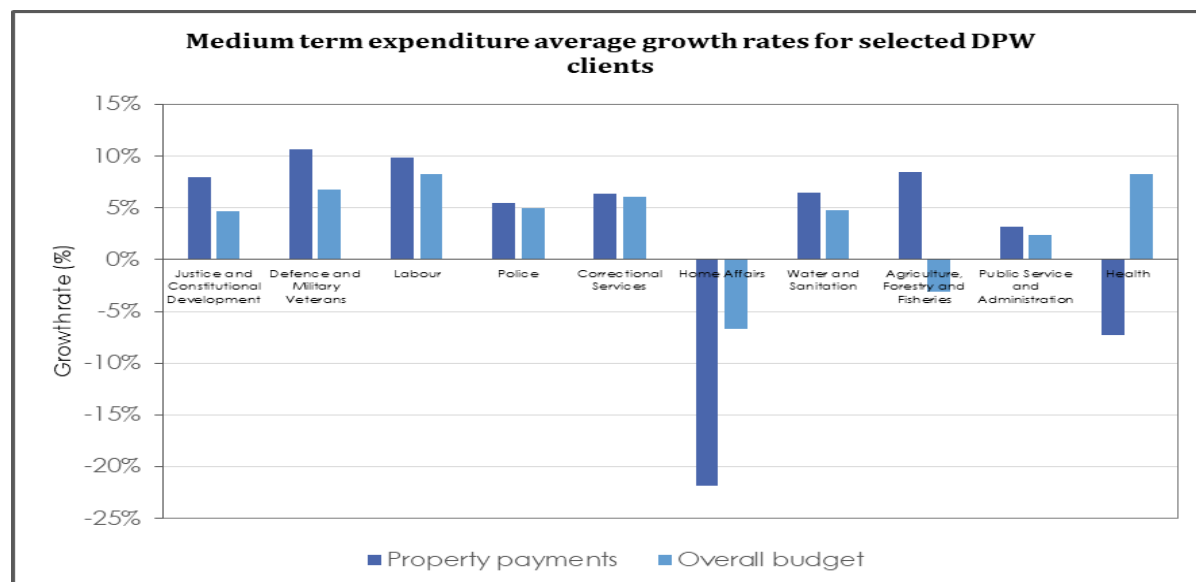
INFLUENCE OF FINANCIAL SUSTAINABILITY ON THE PROPERTY SECTOR

About 28 million m² of the Department's immovable asset portfolio is occupied by government departments, with a monthly average rate of R15 per m². Most of DPWI's clients pay accommodation charges from budgets allocated by the National Treasury.

Figure B 8 shows the average escalation rates for property payments as well as the overall budget for some of the DPWI's main clients over the medium term. The Department of Defence, as well as the Department of Labour have the highest expected increase in property payments over the medium term, averaging around 10%. The Department of Home Affairs and the Department of Health, are expected to lose a substantial allocation for property payments, which is a risk for DPWI. The Department of Health pays accommodation charges of R126 million to the DPWI, with R102 being towards Civitas Building.

A reduction in accommodation charges may have a negative impact on the Client's ability to pay the full user charge, and thus may provide constraints on DPWI to efficiently maintain the building. On average, User Departments have budget increases between 5% and 6%.

Figure B 8: Medium Term Expenditure AVG Growth Rates for selected DPWI Clients



(National Treasury, 2019)

Given how low the current user charges are, it is clear that the expected escalation rates will not yield the desired user charges. As a result, negotiations with client departments and the National Treasury on reprioritisation of Clients' accommodation budgets need

to continue. This requires that DPWI should finalise its life cycle management plans, particularly the cost associated with the upkeep of properties throughout their life cycle. Part of this include entering into lease agreements with clients, which clearly shows the responsibility of both parties, the user charges levied to user departments as well as the level of services clients are to expect from the DPWI.

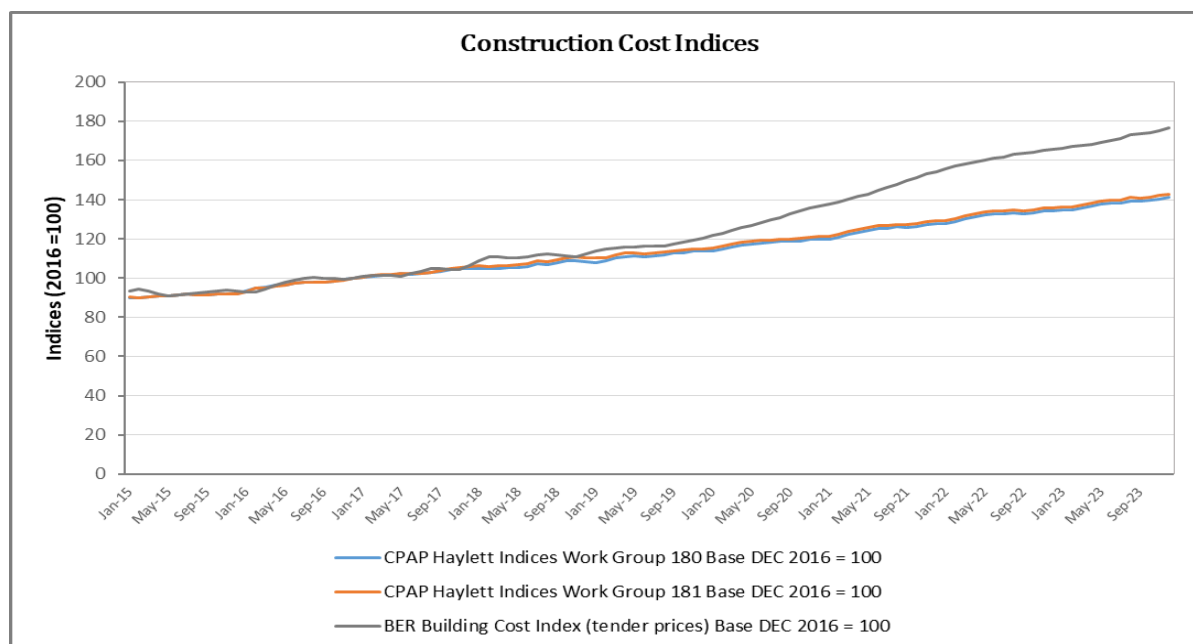
An effective maintenance system, backed by commensurate user charges can be vital in creating employment. Contracts signed with private facilities management companies, term contracts for the maintenance of crucial building components as well as revitalisation of workshops can assist in creating jobs for the sector. A move from reactive maintenance to a strategy dominated by planned maintenance will create constant and predictable job opportunities, both internally and externally, as well as reduce costs.

INFLUENCE OF FINANCIAL SUSTAINABILITY ON SUPPLY CHAIN MANAGEMENT

Global economic trends / markets may determine the bid offers received by Supply Chain Management (SCM) that may increase expenditure within the Department. This also coupled with possible impact on availability of machinery, technology, software, parts, spares etc. The year 2019 saw a moderate inflation rate, which also transmitted into building cost and tender price indices, which are reported by StatsSA and the Bureau of Economic Research (BER).

As indicated in Figure B 9, the Contract Price Adjustment Provision (CPAP) Index for commercial and industrial buildings (Work Group 181 is expected to increase by 4.3% in 2019; whilst the BER's building cost index is estimated at 5% for the year. According to BER, as reported in the 2019 fourth quarter building cost report, the all the indices are expected to increase in 2020, as shown in the chart below. These indices are crucial when signing contracts for construction projects, and will therefore have an impact on bid offers received for construction or building related projects.

Figure B 9: Construction Cost Indices



(Bureau of Economic Research (BER))

INFLUENCE OF FINANCIAL SUSTAINABILITY: DPWI IMMOVABLE ASSET REGISTER AS A SOURCE OF COLLATERAL FOR THE STATE

Existing physical and digital infrastructure are under stress from population growth and face challenges from cyber-attacks, extreme weather and climate change. Worldwide investment in infrastructure is expected to be \$79 trillion by 2040. However, the actual global investment need is closer to \$97 trillion. To close this \$18 trillion gap, average annual global infrastructure investment would need to increase by approximately 23% per year. Under investment in infrastructure amplifies DPWI's exposure to major global risks. Ageing physical infrastructure increases the vulnerability of communities to natural catastrophes, and outdated security infrastructure adds to the risks stemming from cyber-attacks. (Source: World Economic Forum, 16 Jan 2019).⁶

The Immovable Asset Register (IAR) is currently showing 2% to be in very poor condition, 7% to be in poor condition, 77% to be in fair condition, 13% to be in good condition and less than 1 % to be in excellent condition which informs the determination and management of asset performance and investment predictability through a lifecycle approach) against the revenue vs GDP output/contribution.

For the above, **key lessons** could be learnt and actions recommended. For example, the capital and maintenance budget for client departments that has been earmarked for

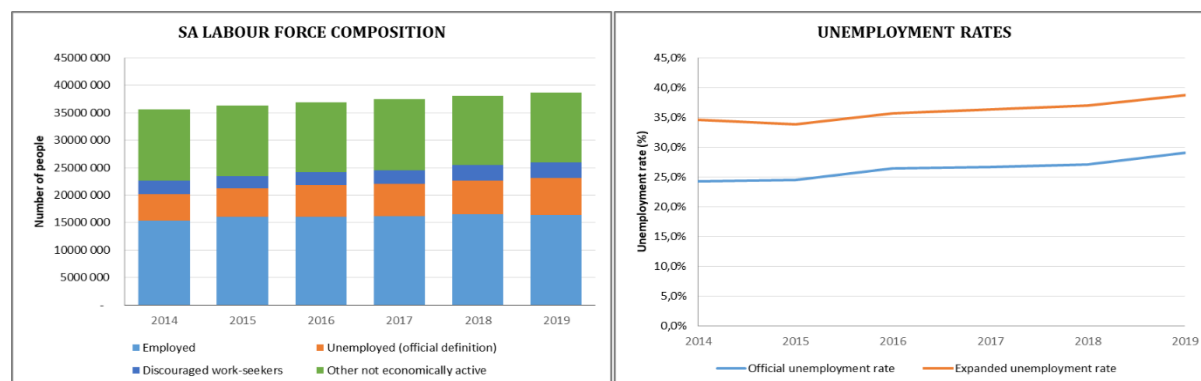
⁶ World Economic Forum, retrieved 16 Jan 2019

accommodation, facilities, property management and infrastructure needs, shall be ring-fenced and transferred directly from National Treasury to DPWI with effect from the beginning of the 2020/2021 financial year. As from the commencement of the 2020/2021 financial year, DPWI shall not have an overdraft facility to assist Client Departments who are delayed in paying their municipal accounts, if National Treasury does not pay the funds directly to DPWI. If the former applies and the Client Department reneges or is late, DPWI will not be held liable for the relevant municipality terminating the municipal services on the Client Department and then charging a re-connection fee. The DPWI is also to expedite the completion and verification of its Immovable Asset Register, including the vesting process. The aim is to have a single repository for the Country of all public immovable assets. All stakeholders need to understand the intricacies of the user charge model as well as what itemised billing entails. One of the main areas that can assist the Departments in negotiations with clients is demonstrable progress in the maintenance of buildings.

LABOUR MARKET

The number of unemployed South Africans increased by about 587 000 in the fourth quarter of 2019 compared to the same quarter in 2018, according to StatsSA's Quarterly Labour Force Survey (QLFS) (see Figure B 10). The narrow unemployment rate has remained constant in the past two quarters at 29.1%, this is the highest unemployment rate in the past 10 years.

Figure B 10: Unemployment Rates

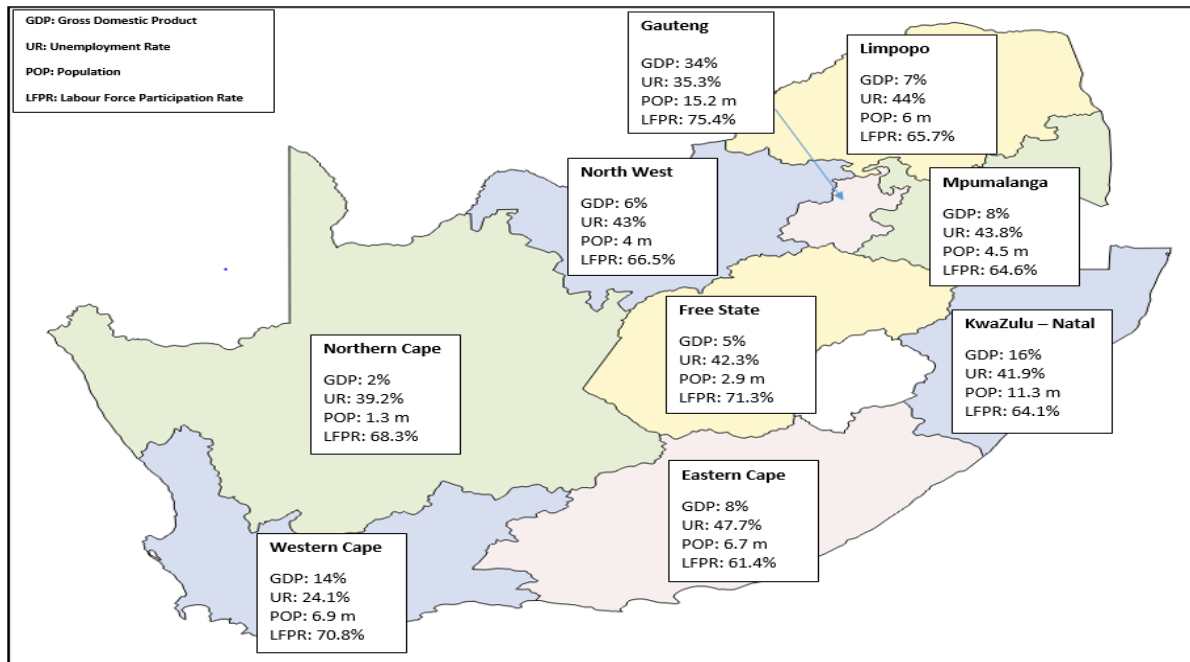


(StatsSA, 2020)

Broken down into provinces, Figure B 11 shows each province's percentage share of national GDP, unemployment rate, population (in millions) and the labour force participation rate per province. Gauteng, Western Cape and KwaZulu-Natal are the provinces with the highest contribution to the national economy. The picture shows that the other provinces are characterised by low participation rates, which is mostly due to lack of opportunities in the provinces.

Gauteng has a large population, which is a result of in-migrants from other provinces. Nation-wide spatial planning, including the development of new cities and infrastructure to support economic zones is crucial in addressing this challenge. Prioritisation of infrastructure projects with high labour intensity to these provinces can help reduce unemployment. Infrastructure spending also has positive ripple effects to the economy as more growth opportunities are usually unlocked by the presence of infrastructure. Current population distribution needs to be factored when planning government accommodation, particularly for government services which are people-centric.

Figure B 11: Percentage share of national GDP, unemployment rate, population (in millions) and the labour force participation rate per province



(StatsSA, 2020)

DPWI's performance is influenced by the labour market as follows:

- Availability of manpower across the built environment sector and the spectrum (e.g. location, race, gender, disability) to plan, construct, maintain and operate facilities or components thereof.
- Adequacy of skills in the current labour market to address lifecycle requirements on the DPWI portfolio.
- Labour costs across the asset management lifecycle has a significant bearing on the cost of infrastructure.
- Stability in the labour market affects delivery, material and pricing.

As per Table B 1, the Department and its Entities, particularly CBE and cidb, can influence the labour market related to the following:

Table B 1: DPWI Influence on Labour Market

Planning	Careers and work opportunities for professionals in the built and associated environments.
Construction	<ul style="list-style-type: none"> • Careers and work opportunities for professionals, construction companies and the labour force in all aspects of the construction market. • Careers and work opportunities in all aspects of the construction material supply industry. • Capacitate the project management function in Construction Management to ensure sustainability and improved service delivery. • Training and capacitation of in-house teams of construction project teams.
Leasing in	Careers and work opportunities for professionals and property management companies in all aspects of the property leasing market.
Letting (Lease out)	Careers and work opportunities for professionals and property management companies in all aspects of the property letting market.
Facilities management and operations	Careers and work opportunities for professionals, construction and facilities management companies and the labour force in all aspects of the lifecycle facilities management including maintenance and operations of building components e.g. lifts, HVAC systems.
Land release for socio-economics objectives	Creation of opportunities arising from the use and/or development of state land.
Infrastructure	<ul style="list-style-type: none"> • Establishment of an internal multidisciplinary team that can manage the infrastructure development and investment lifecycle and pipeline. • Monitoring, evaluation and best practice systems management within infrastructure to ensure transparency and investor confidence.

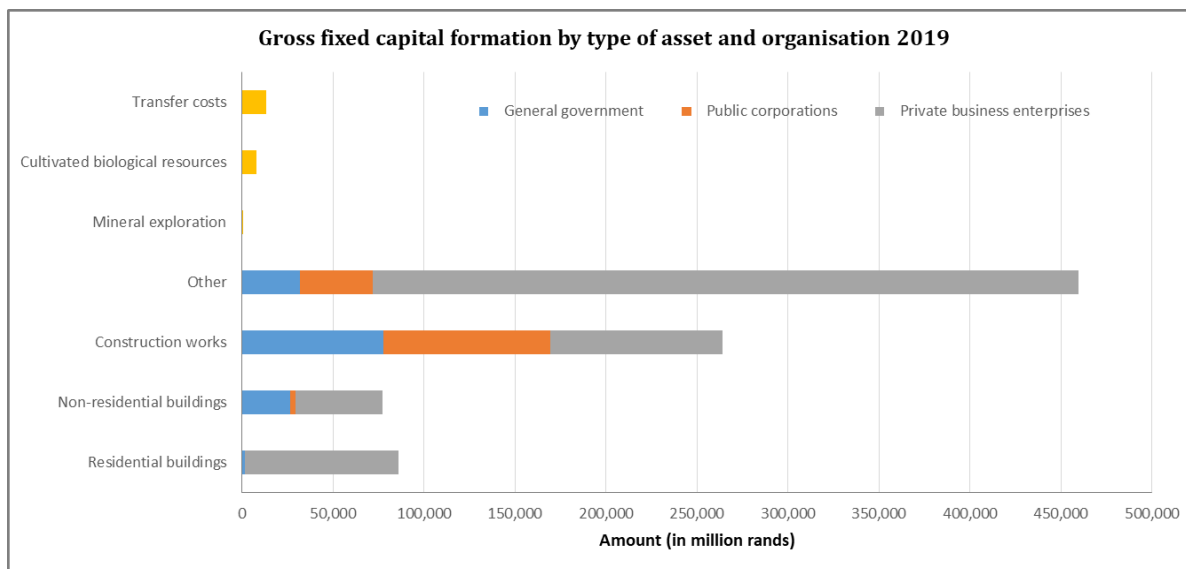
MARKET PERSPECTIVE

A number of issues influence the market perspective. These include capital formation, building costs, public infrastructure, register of tenders, building activities, the property sector and real estate investment trust performance. More detail related to these components follows.

CONSTRUCTION SECTOR: CAPITAL FORMATION

Details of the total investment in South Africa by type of asset and organisation using data from StatsSA as at the end of the fourth quarter of 2019, published in March 2019 is presented in Figure B 12. The total capital formation in 2019 amounted to R909 billion, with private sector accounting for 68% of the investment (excluding mineral exploration, cultivated biological resources and transfer costs). The majority of investments in construction works (64%) can be attributed to the public sector, that is, government and public corporations combined. An examination of the time series data, at constant 2010 prices, shows that the contribution of public corporations to capital formation has decreased from 21% of total investments in 2010 to 15% in 2019. Government also has a substantial contribution to investment through non-residential buildings. It is clear that although improved public spending in infrastructure is required, private investment plays a massive role in economic growth, which accounted to accounting for 12.1% of GDP in 2019. Government and public corporations' contribution to GFCF amounts to 5.4% of GDP, with each contributing 2.7%.

Figure B 12: Gross fixed Capital by Type and Organisation at the end of the fourth quarter of 2019



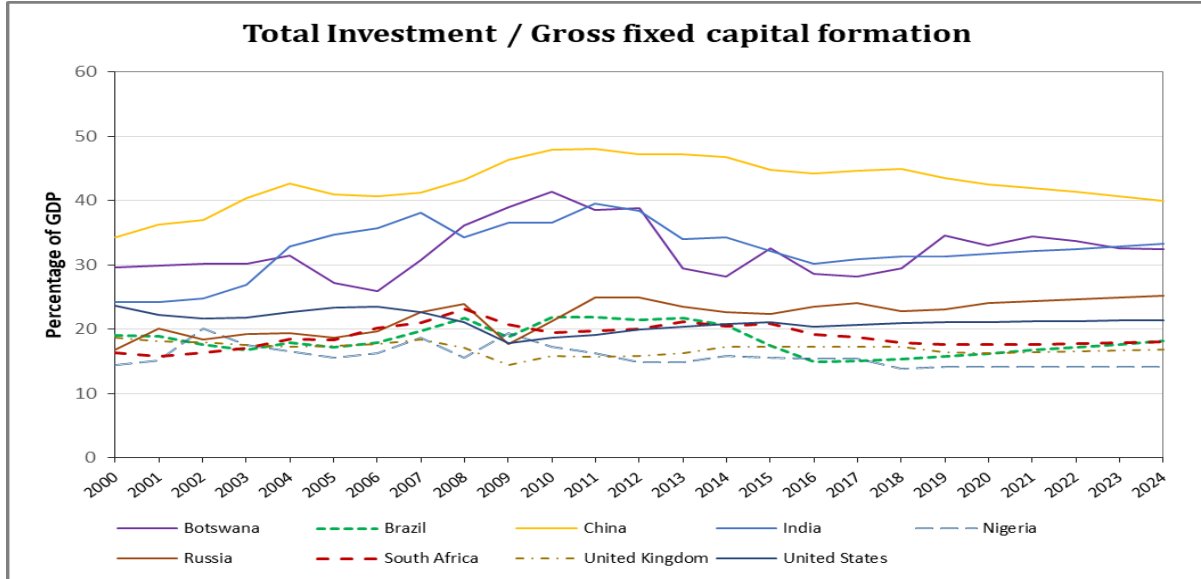
(StatsSA, 2020)

As indicated in Figure B 13, the high gross fixed capital formation (GFCF) is amongst the factors that can be attributed to high growth in some countries such as India, China and Botswana. The chart below shows GFCF as a percentage of GDP for South Africa and several countries using information published by the International Monetary Fund⁷ (IMF).

⁷ The International Monetary Fund (IMF) is an international organisation headquartered in Washington, D.C., consisting of 189 countries working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty

The countries which experience growth rates similar to that envisioned in the National Development Plan (NDP) have GFCF in excess of 25% of GDP.

Figure B 13: Total Investment by Gross Fixed Capital Information



(WEO IMF, 2019)

CONSTRUCTION SECTOR: BUILDING COSTS

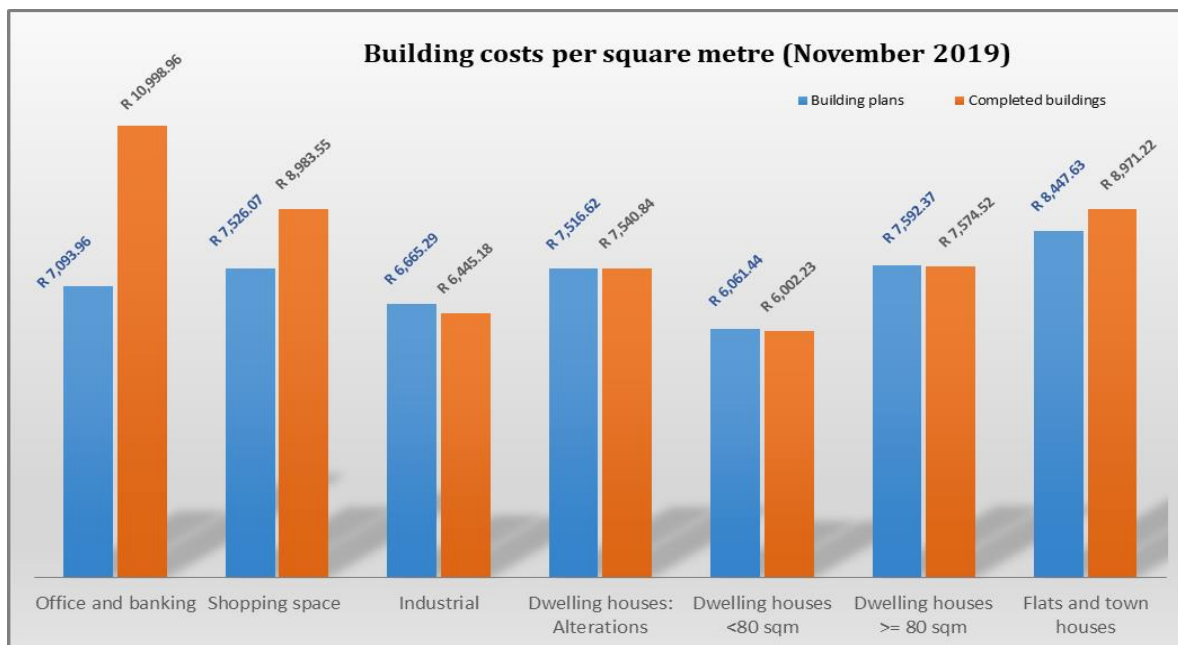
Figure B 14 details estimated building costs per m² for various building types, using data from StatsSA. Office and banking space, which is the category within which most of DPWI's buildings are classified, costs more than the other types of building types to construct.

Other cost estimates such as those provided by AECOM⁸ in the "Blue Book" are used when estimating construction costs. Building costs play a crucial role in the feasibility and planning phase which is undertaken within the Real Estate Programme of DPWI. Slow implementation of recommended solution can lead to higher costs than what was estimated during feasibility and planning stages, particularly during periods of increasing prices.

around the world while periodically depending on the World Bank for its resources. (About the IMF/IMF. Retrieved 14 October 2012.)

⁸ Fortune 500 company, AECOM is a global provider of professional technical and management support services to a broad range of markets, including transportation, facilities, environmental, energy, water and government.

Figure B 14: Building Costs per m2



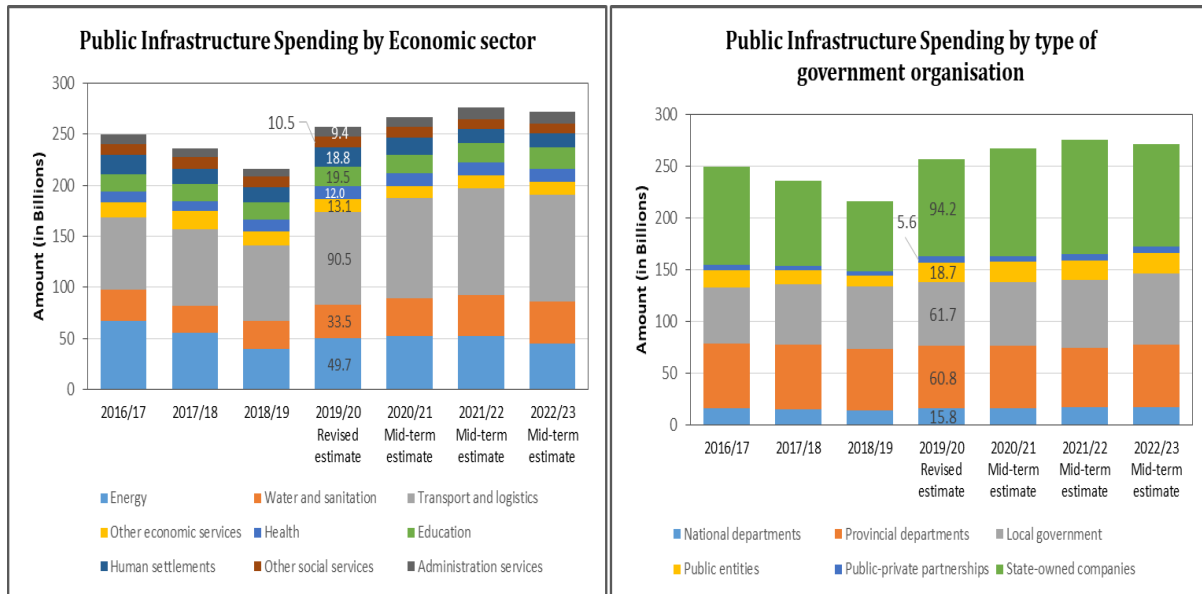
(StatsSA, 2020)

PUBLIC INFRASTRUCTURE

Infrastructure spending for the past three financial years as well as estimates for the medium term as reported by the National Treasury is presented in Figure B 15. There has been a decrease in total spending over the past three years; the right hand side chart shows that this is mainly due to reductions in state-owned companies' spending. Public infrastructure spending in the medium term is expected to increase, with notable increases in spending on the transport and logistics sector. Some of the public infrastructure spending is on assets such as ports, roads, power stations and dams; which have the effect of attracting various forms of private investment, which in turn increases national fixed investment spending. Proper planning by the state is essential to ensure that the budgeted expenditure is realised. Reorganisation of public corporations is also critical in ensuring that planned projects are completed, and thus relieving the economy.

The national government projects amount to R15.8 billion. State-owned Companies have the largest share of projects in terms of expenditure. These projects are mainly being executed by Eskom and Transnet.

Figure B 15: Public Infrastructure Spending



(National Treasury, 2019)

Linked to the above figure, Table B 2 shows the number of projects as well as the amount (in million Rands) for each Implementing Agent. The project count does not necessarily show the number of projects each Implementing Agent has, but a grouping of similar projects; for example, DPWI's 97 projects for redevelopment of border posts are shown as one project below. Information included in the table is important as it also shows projects which are being executed by other departments and may be transferred to the DPWI after completion. The projects belonging to the clients highlighted with the same shade as the DPWI are likely to be transferred to the custodianship of DPWI after the projects are completed. These projects include amongst others, the construction, refurbishment or expansion of police stations, military bases, courts and labour centres. Planning for the lifecycle management of these properties is a function of DPWI, much of which will be performed within the Real Estate Programme within DPWI.

Table B 2: Number of Projects and Amount (in million Rands) for each Implementing Agent

Implementing agent	Number of projects	2018/19 FY	2019/20 FY	2020/21 FY	2021/22 FY	Total (2019/20 - 2021/22)
ACSA	4	718	2,962	5,169	6,312	14,442
Arts and Culture	9	271	333	253	436	1,023
Basic Education	1	2,121	1,869	1,629	2,191	5,689
CEF	10	1,065	1,346	997	1,153	3,496
Correctional Services	3	131	333	321	384	1,038
CSIR	2	856	796	854	120	1,769
Defense and Military	4	662	664	898	1,305	2,867
Environmental Affairs	6	1,021	1,000	1,052	1,101	3,153
Health	10	984	1,174	1,900	1,894	4,968
Higher Education	7	7,482	7,871	8,179	8,546	24,596
Human Settlements	5	60,533	63,016	65,832	34,281	163,128
International Relations and Cooperation	1	194	334	376	28	738
Justice and Constitutional Development	1	206	352	371	201	924
Labour	1	32	32	34	18	84
PMTE	9	2,630	2,912	2,954	3,109	8,975
Police	2	868	913	970	868	2,751
PRASA	6	9,483	10,052	12,568	13,242	35,861
Sentech Limited	1	60	63	62	70	195
Trade and Industry	1	2,200	2,615	2,775	1,622	7,011
Water and Sanitation	10	5,554	4,794	5,694	6,270	16,758
Grand Total	93	97,068	103,430	112,886	83,151	299,467

(National Treasury, 2019)

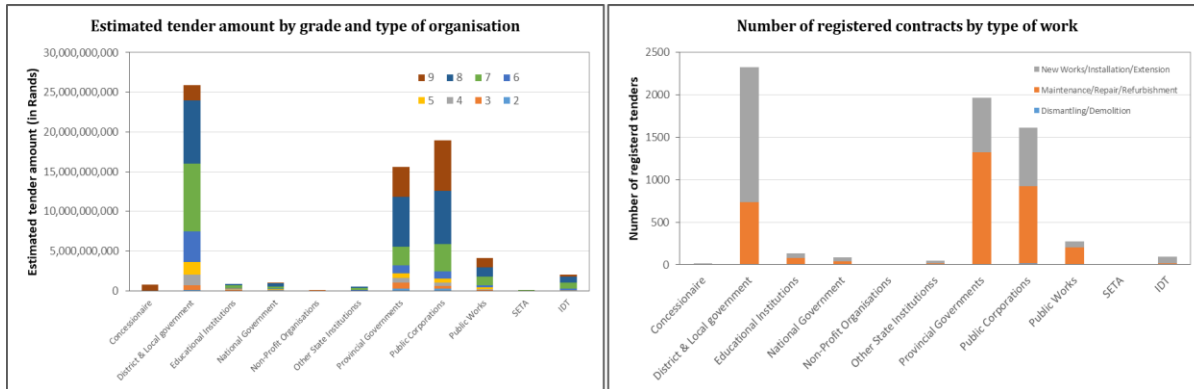
The local beneficiation principle in the SCM Policy will improve socio-economic infrastructure with emphasis on the use of local content and local companies through the implementation and enforcement of SATS 1286:2011 in the tendering processes.

CIDB REGISTER OF TENDERS

Detail on the estimated average cost for, and the number of tenders registered with the Construction Industry Development Board (cidb) is presented in Figure B 16. The cidb categorises construction work into grades based on the tender value, with grade nine (9) being the highest grade. The average tender amount shown in the chart was derived based on the average cost within each grade. Local government, public corporations and provincial government has tenders with the highest estimated value. The chart below shows the registered tenders by type of work. With the exception of local government, the other public organisations appear to have more maintenance and refurbishment projects than new constructions.

Contractors are also classified into grades to represent the maximum value of tenders they can bid for. The distribution of work on the charts below shows public companies, provincial and local governments have the larger share of public infrastructure projects. For public works, it is important to note that the majority of tenders given out are for maintenance and refurbishment work. For Real Estate, it is evident that the work done in planning for maintenance and refurbishment can have a huge impact in increasing activity. Maintenance work also allow low graded contractors to participate in government projects.

Figure B 16: Tenders Registered with the CIDB



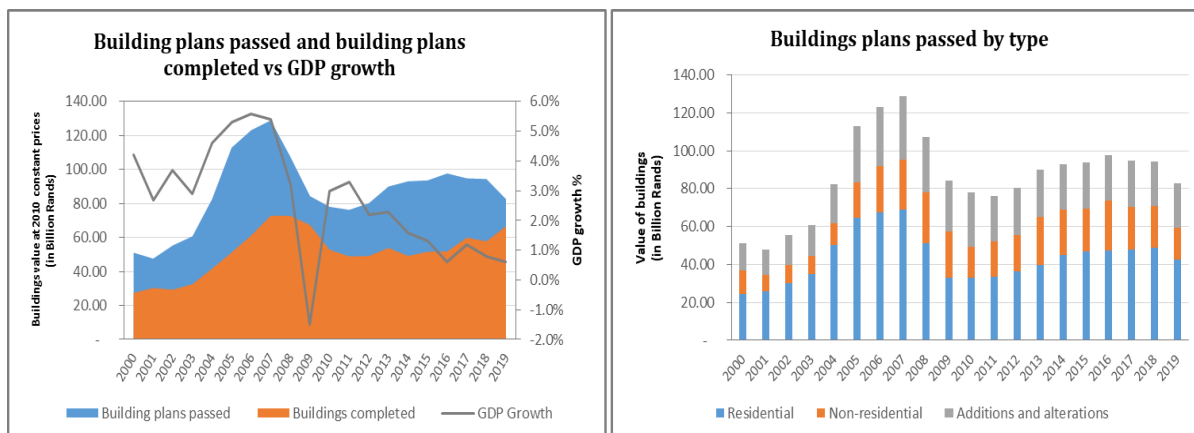
(CIDB, 2019)

By count, about 50.3% of all work is for maintenance and refurbishment; with 38% of it having a grading of 4 or lower. When taking the estimated tender value into account, this shows that about 55% of the work is for new construction and located in grades seven (7), eight (8) and 9. The register of contractors, which is discussed next, has more companies registered in the lower categories. To boost transformation, subcontracting should be monitored properly as it will ensure that smaller firms participate in larger projects. Industry-wide practices should be looked at to ensure that subcontracting is embedded into daily practice – and this should extend beyond just the public sector.

BUILDING ACTIVITIES

Planned and completed building activity reported with municipalities is recorded on a monthly basis by StatsSA, of which the last publication analysed was released in January 2020. The figure below shows these statistics from 2 000 for the period from January to November of each year. The chart on the left-hand side shows a lag between planned and completed buildings. The value of building plans passed between January and November of 2019 amounted to R82.66 billion, which is a decrease of 12.5% when compared to the same period in 2018. The largest decrease in building plans, of 20.9%, was in non-residential buildings. The value of buildings reported as complete increased by 15.2% to R66.62 billion for the same period. The decrease in building plans is of concern as it signals possible low activity in the sector for the near term; this is a result of the low economic growth and business confidence experienced by the country. Detail on the above is presented in Figure B 17.

Figure B 17: Building Plans Passed



(StatsSA, November 2019)

PROPERTY SECTOR

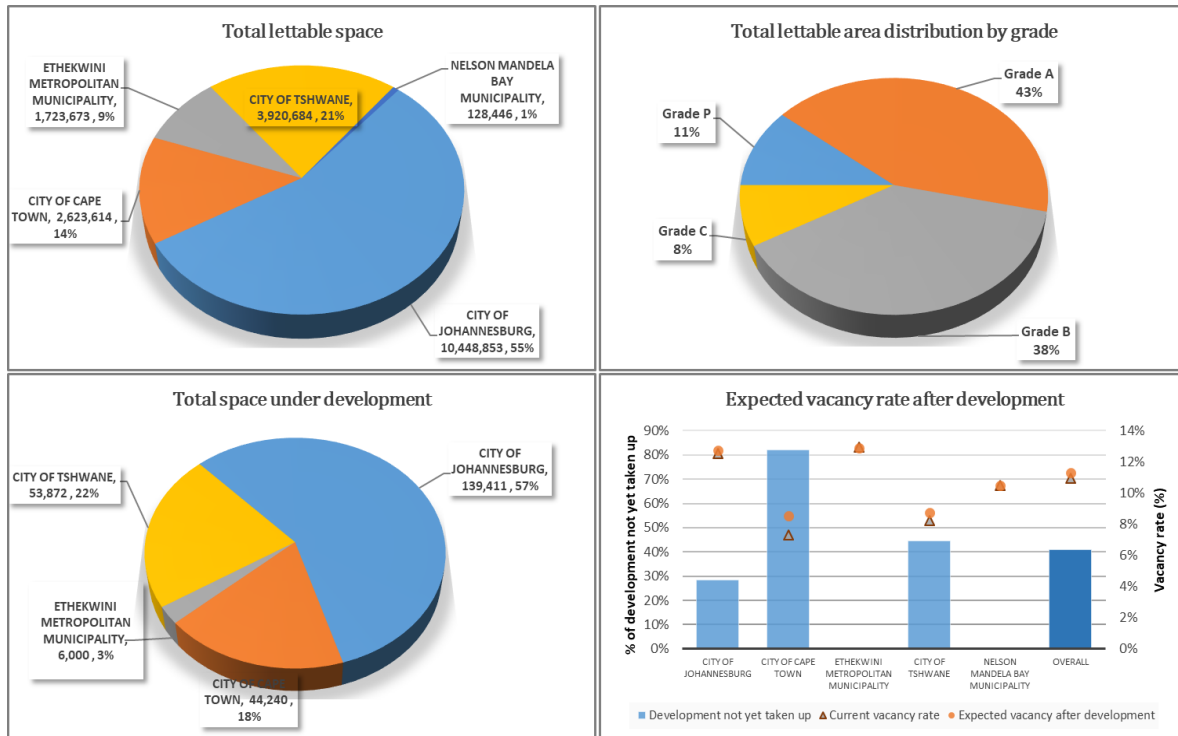
DPWI's mandate is to ensure that National government departments' accommodation needs are met. These needs are met through accommodation in state-owned buildings (under the custodianship of DPWI), leases in externally-owned buildings, and in certain instances in accommodation acquired by means of public-private partnerships (PPP). Most national government departments' office accommodation needs are mainly for their head offices. The Departments which require specialised accommodation are those in the Justice, Crime Prevention and Security as well as the Social cluster. According to the DPWI's asset register, there are about 82 800 buildings with an extent of about 28 million square metres which are being utilised by government departments.

The DPWI receives about R5 billion for the accommodation utilised by government annually, which translates to about R15 per m² per month. It is clear that this is not enough revenue to support maintenance. According to property reports, office rental for office buildings are at minimum R80 per m². If the state was to reach even half of this, that is, R40 per m², the Department's ability to create jobs through maintenance work would be improved. The development of a clear property/asset management strategy for the Department can be instrumental in negotiating rental increases with clients.

In terms of office space, Figure B 18 elaborates on important information for the offices sector in the metro cities as reported by South African Property Owners Association (SAPOA). Total office space available in these metros was 18.85 million m² as at the fourth quarter of 2019. The City of Johannesburg accounts for 55% of all office space, 80% of which is grade A and B. The City of Johannesburg also accounts for the 57% of ongoing office developments in the country. The chart in the bottom right hand side shows current vacancy rates as well as how they would be impacted once current developments are completed, given the current take up of space under development. In the City of Cape Town, 82% of ongoing developments have not yet been taken up, if this persist until completion, vacancy rate would increase from 7.3% to 8.6%. Ethekwini (12.9%) and City

of Johannesburg (12.7%) had the highest vacancy rates amongst the metros, with Durban and Johannesburg City Business Districts (CBD's) having vacancy rates of 19% and 14% respectively. The information is useful for evaluating and planning for leased accommodation.

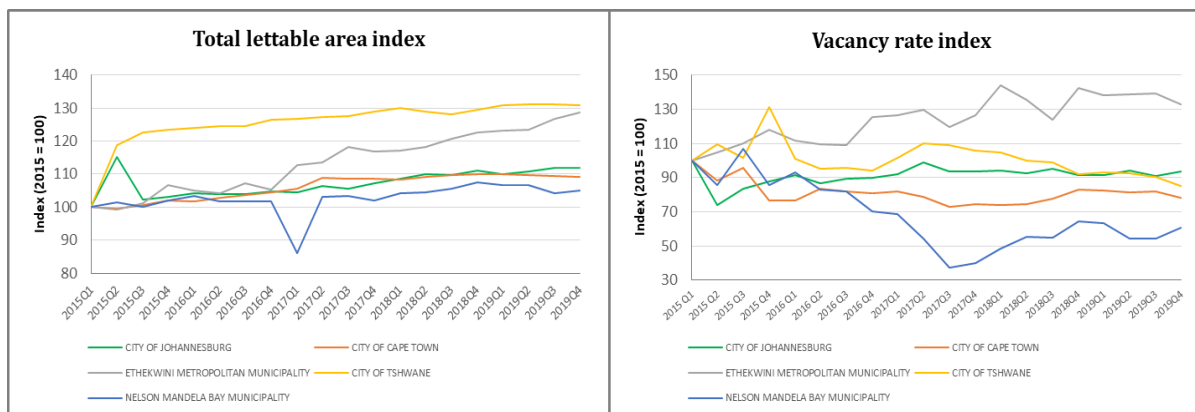
Figure B 18: Statistics on Offices Sector in the Metro Cities, Q4 2019



(South African Property Owners' Association (SAPOA), 2020)

Available space and vacancy rate are presented in Figure B 19. Total space has been increasing at a slow pace across all metros; the estimated compound annual growth rate for office space between 2015 and 2019 is about 3.5%. For vacancy rates, it is evident that although current vacancy rates may be higher than desired, there has been improvement in most metros when compared to the first quarter of 2015. The high vacancy rates in Durban CBD presents the state with an advantage when renegotiating leases in the area.

Figure B 19: Indices for Total Available Space and Vacancy Rate, Q4 2019



(SAPOA, 2020)

PUBLIC PRIVATE PARTNERSHIPS (PPP'S)

There are seven (7) completed PPP's registered with the National Treasury, which are for office accommodation; six (6) of which are for national government departments. Table B 3 details these PPP's as well as when they are expected to be transferred back to the government. It is crucial for the DPWI to plan for the management of these properties when such transfer happens. Preparing for such entails understanding the current contract structure as well as the quantum of payments on the properties. An understanding of the existing PPP's can also be crucial in delivering other accommodation solutions through PPP's.

Table B 3 : PPP's Lease Information

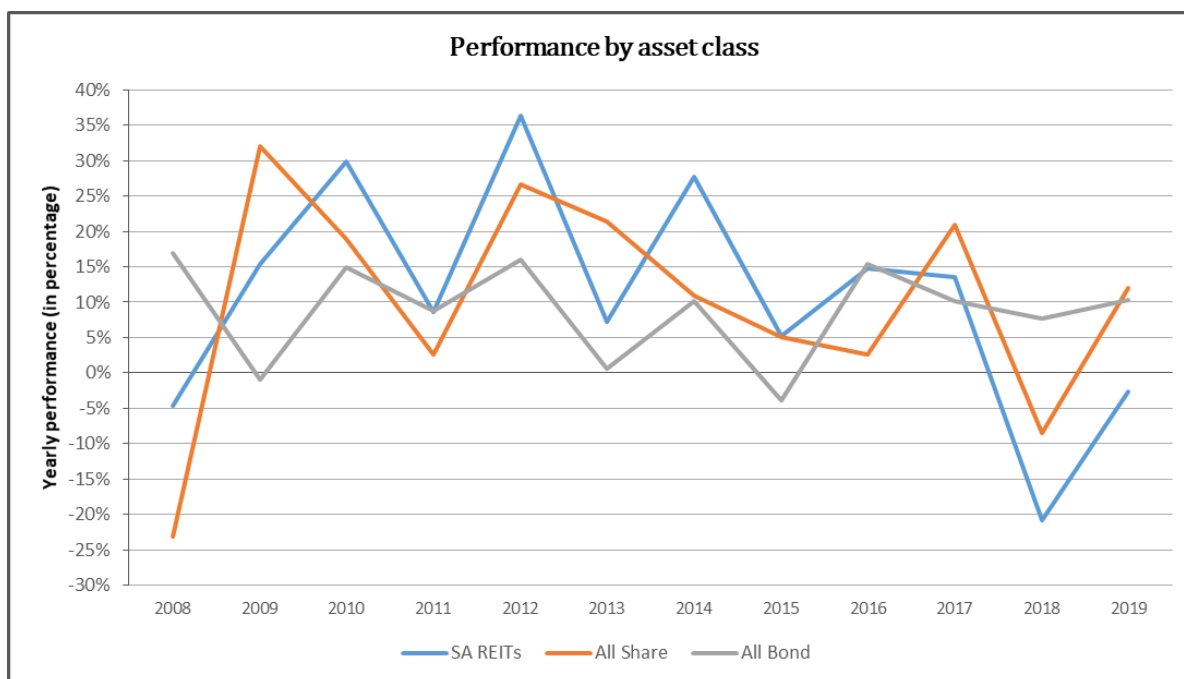
Office accommodation	Government institution/department	Type	Date of close	Duration	Financing structure	Project value (R million)	Form of payment	Expected Transfer date
Head office accommodation	Department of Trade and Industry	DFBOT	Aug-2003	25 years	Debt: 80% Equity: 8% Govt: 12%	870	Unitary payment	Jul-2028
Head office accommodation	Department of International Relations and Cooperation	DFBOT	Jan-2005	25 years	Debt: 81% Equity: 19%	1,959	Unitary payment	Dec-2029
Head office accommodation	Department of Education	DFBOT	Aug-2009	27 years	Debt: 90% Equity: 10%	512	Unitary payment	Jul-2036
Head office accommodation	Department of Environmental Affairs	DFBOT	May-2012	25 years	Debt 49% Equity: 15% Govt: 36%	2,731	Unitary payment	Apr-2037
Head office accommodation	Statistics South Africa	DFBOT	Mar-2014	24 years	Debt 54% Equity: 9% Govt: 37%	2,533	Unitary payment	Feb-2038
Head office accommodation	City of Tshwane	DFBOT	Mar-2015	25 years	Debt: 86% Equity: 14%	2,005	Unitary payment	Feb-2040
Head office accommodation	Department of Rural Development	DFBOT	Feb-2019	27 years	Debt: 54% Equity: 10% Govt: 36%	3,991	Unitary payment	Jan-2046

(National Treasury, 2019)

REAL ESTATE INVESTMENT TRUSTS (REITS) PERFORMANCE

Over the past years, Real Estate Investment Trusts (REITs) have been performing better when compared to other assets classes. However, there was a major decrease in REITs performance for 2018, where all quarters experienced a decrease, resulting in a yearly decrease. There has been an improvement in all asset classes' performance in the second and last quarter of 2019 as indicated in Figure B 20, which improved the yearly performance when compared to 2018. SA REITs, with a yearly return of -2.6% in 2019, had the least returns of the three asset classes. Low investments, low rental income growth, weak business confidence and slow economic growth are amongst the factors contributing to the weak performance.

Figure B 20: REITs Performance by Asset Class



(SA REITs, 2020)

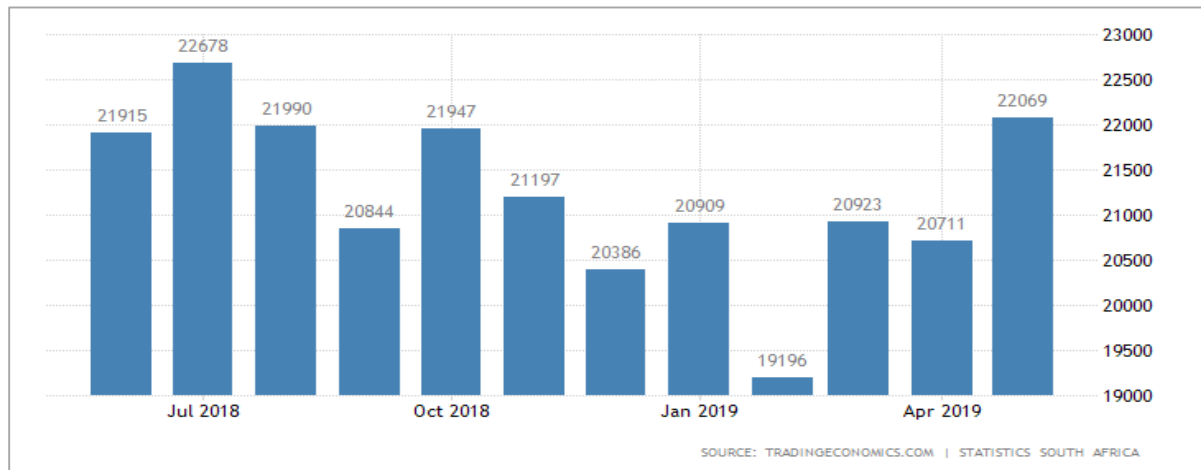
The economic climate has been tough to the extent that the Reserve Bank revised its growth estimates for 2020 and 2021 down to 1.5% and 1.8% respectively. The estimated growth for 2019 is 0.6%. In a period of low growth like this, business confidence is stifled whilst government revenue is reduced, which in turn reduces the amount available for government projects. The constrained fiscus results in most projects that have been assessed and prioritised by the DPWI (Real Estate Programme) having to be put off.

The DPWI (Real Estate Programme) can, however, also play a positive role in boosting government expenditure on available funds by ensuring that the planning processes are efficient. This can also include prioritisation of projects that will have maximum benefit to

the economy – through expenditure and subsequently jobs created by implementing agents.

In addition, as indicated in Figure B 21, electricity production in South Africa increased to 22069 Gigawatt-hour in May 2019 from 20711 Gigawatt-hour (GWh) in April 2019. Electricity Production in South Africa averaged 17959.68 Gigawatt-hour from 1985 until 2019, reaching an all-time high of 23801 Gigawatt-hour in July 2007 and a record low of 10439 Gigawatt-hour in February 1985.

Figure B 21: Electricity Production



(Statistics South Africa)

Electricity and water have been escalating at rates much higher than the average inflation rate, which makes operating costs much higher. For the Department as a custodian, the rate at which maintenance and repair costs have been escalating at is encouraging as this is lower than inflation. As a result, when entering into maintenance contracts, exorbitant escalations should be monitored and avoided.

Price changes are very crucial in the Department's property business of assessing investment solutions as well as determining cost recovery rates/ accommodation charges. When recommending a solution or determining a user charge, escalation rates which are suggested have to be in line with the actual rates over the period which a contract is to be entered for. Very high price increases are likely to result in higher user charges for the clients, which may deter demands for the DPWI's services or result in the Department failing to recover all its cost. When entering into agreements with National Treasury and Client Departments, DPWI's property business should ensure that proper adjustments are made to the user charge to ensure that regardless of the final agreed escalation rate, all future expenses will be covered.

Although electricity and water costs are passed through to Clients, benchmarks do need to be set for government buildings' energy and water utilisation. Although various programmes are in place for water and energy savings, the presence of benchmarks

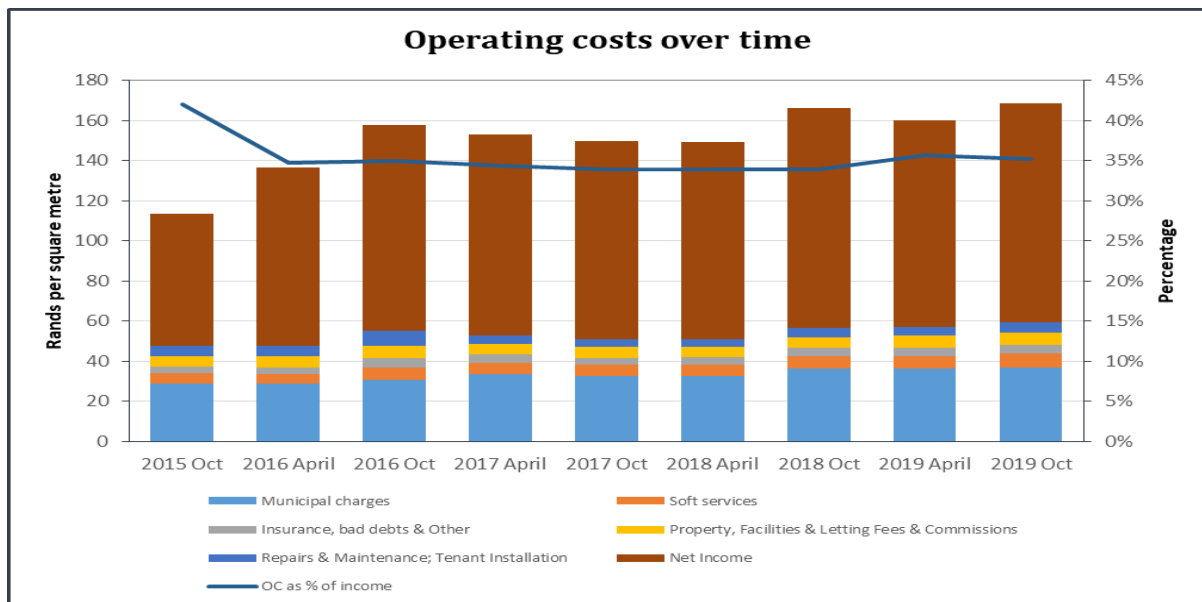
can enable the DPWI (Real Estate programme) to factor electricity and water consumption during the planning stages. This can result in savings across the entire government.

Electricity and water have been escalating at costs much higher than the average inflation rate, which makes operating costs much higher. For the Department as a custodian, the rate at which maintenance and repair costs have been escalating at is encouraging as this is lower than inflation. As a result, when entering into maintenance contracts, exorbitant escalations should be monitored and avoided.

OPERATING COSTS

Operating costs, and in particular, maintenance, is of critical importance within the department. The chart below uses information gathered from SAPOA's operating cost report to show the composition of operating costs. For this chart, net income refers to the difference between average gross income and operating costs. The blue line shows operating costs as a percentage of gross income, which averaged 35% of income. This information can be used as a guide when planning for maintenance and also as a benchmark when assessing current expenditure. Municipal charges, which include expenditure on utilities such as electricity, water, refuse removal and property rates and taxes are the main driver of operating costs, accounting for over 60% of costs. Proper recording of expenditure against properties is crucial to ensure that comparisons to industry averages is possible. Hard services repairs and maintenance, which include repairs on elevators, escalators and HVAC systems cost about R5 per m². Maintenance strategies focused on hard services such as term contracts should be checked against these average costs. Figure B 22 provides detail on operating costs over time.

Figure B 22: Composition of Operating Costs



(SAPOA Operating costs report, 2019)

An aspect of operating costs which is crucial to the Department as a custodian of state assets is that of municipal property rates. The department has to ensure that the accommodation charges levied to clients are enough to pay for property rates. In addition, the department needs to ensure that vacant properties are paid for. The table below shows the average escalation on municipal property rates as well as the average rate which municipalities charge for state owned properties, expressed as a percentage (of municipal property value). Amongst the metros, the City of Cape Town is the only one that will be decreasing municipal rates for the 2019/20 financial year, whilst the others will be escalating the rates at an average of 6.9%. These dynamics, as presented in Table B 4 will need to be taken into account when engaging client departments and the National Treasury on accommodation charges.

Table B 4: Average Escalation on Municipal Property Rates and Average Charge Rate as % of Municipal Property Value

TYPE OF MUNICIPALITY	COUNT	AVERAGE ESCALATION	AVERAGE RATE FOR STATE PROPERTIES
Local Municipality	20	3.65%	2.66%
Metropolitan	7	6.87%	2.78%
Total	27	4.49%	2.69%
Local Municipality	14	40.5%	1.9%
KZN221: uMshwathi	1	-5.93%	2.22%
KZN222: uMngeni	1	-5.93%	2.22%
KZN225: The Msunduzi	1	-5.93%	2.22%
KZN226: Mkhambathini	1	-5.93%	2.22%
LIM354: Polokwane	1	-5.82%	1.09%
MP322: Mbombela	1	-10.98%	2.08%
MP323: Umjindi	1	-10.98%	2.08%
NC066: Karoo Hoogland	1	13.07%	1.61%
NC074: Kareeberg	1	13.07%	1.61%
NC075: Renosterberg	1	13.07%	1.61%
NC084: !Kheis	1	13.07%	1.61%
NC091: Sol Plaatjie	1	13.07%	1.61%
NW373: Rustenburg	1	276.47%	2.56%
NW374: Kgetlengrivier	1	276.47%	2.56%
Metropolitan	1	-22.43%	1.11%
CPT: City of Cape Town	1	-22.43%	1.11%
Total	15	36.29%	1.89%

(Industry Research Unit Data, 2019)

ENVIRONMENTAL INFLUENCES

There are a number of environmental influences that impacts on the activities and functions of the DPWI. First of all, in terms of water, South African dam levels are estimated to be at to be at 74% as at 2018. Over the past year (as at 1 July 2019), the cost of water has increased, particularly in major cities that serve as economic hubs such as Durban (up by 14,5%), Johannesburg (up by 9,9%) and Cape Town (with a proposed future 9% increase).

The construction and built environment are estimated to take about 40% of the World's water consumption. Given this background, water consumption in DPWI properties as well as the state of the nation's water infrastructure needs a design of intervention strategies to maintain or reduce water consumption levels.

Firstly, water utilisation targets need to be set or reviewed for the Department's buildings, with key monitoring strategies in place for the achievement of the set national targets and standards. DPWI has to ensure compliance with the National Water Act in relation with the green and blue drop requirements. Recovery of costs related to water infrastructure/supply to user departments. Challenges in maintaining water infrastructure due to accommodation charges not including associated costs.

Secondly, in terms of Energy the DPWI's planning phase for infrastructure must comply with the National Building Regulations which guides, amongst others, on energy and water consumptions. However, the following issues exist:

- The demand for energy continues to increase as a result of the additional infrastructure that is being built. In order to mitigate the extra burden on the energy supply, the Department has commenced with a number of energy renewable initiatives, for example increased use of solar panels;
- The non-recovery of user charges from affected user department also impacts on the ability to maintain the infrastructure.

In addition, the Real Estate Investment Programme supports national initiatives on energy generation and distribution by availing land parcels upon which projects are implemented, for example, the Northern Cape Wind Farm.

Deleteriously, in terms of the environmental impact of energy, South Africa is still largely addicted to fossil-based electricity. The recently released *Electricity, gas and water supply industry* report for 2016 shows that "fossil fuel generated 85,7% of the country's power in 2016, followed by nuclear power (5,2%) and natural gas (3,2%)."⁹

The implementation and enforcement of the Green Building Policy that has been developed by the Department will go a long way in addressing clean energy. According to Stats SA, there are already some developments in this arena as the 85, 7% (or 203 054

⁹ <http://www.statssa.gov.za/?p=11292>

GWh) coal-based electricity generated for 2016 is a show of a 2, 6% decrease from 88,8% (or 215 691 GWh) recorded in 2013.

The first, major programme for DPWI in relation to contribute to energy security is for the introduction of PV Panels on all Government Buildings, where possible, in order for them to be able to have own-use and reduce the strain on Eskom. The intention is also to register each building as a carbon neutral project, for DPWI to explore the possibility of carbon trading, where the revenue generated can be used to upgrade its assets further.

GLOBAL TECHNOLOGICAL INFLUENCES

The fourth industrial revolution is already in effect and there are already exciting and impactful innovations applicable to the property sector. Virtual Reality (VR) technology is a great way to show planned buildings to various stakeholders as it allows for the creation of 3D real estate tours and get properties staged for stakeholders to view.

The use of building information modelling (BIM) systems is another area that is gaining traction in the property environment. BIM is used to design and document building and infrastructure designs, whereby every detail of a building is modelled in BIM. The model can be used for analysis to explore design options and to create visualisations that help stakeholders understand what the building will look like before it's built. The model can be used to generate the design documentation for construction. BIM systems can assist with localising data which can be used in planning. It can also assist the Department in ensuring that accommodation solutions are presented to and agreed with clients during the design phase. Practical maintenance solutions can also be designed through the use of BIM.

DPWI will be expediting the completion of its immovable asset register, after which it will commence the introduction of BIM on all of its buildings, in order to add value to the following processes:

- Detailed, electronic and accurate building condition assessment;
- Electronic as-built drawings for all government buildings;
- Design documentation and standardisation of tender specifications;
- Millimetre accuracy of the location, specification, materials, quantification, timing and costing of maintenance required per building;
- Overall project milestones reached versus contract requirements;
- Monitoring and reporting.

Drones are also increasingly being used to take aerial footage of properties, for identification of maintenance issues in hard-to-reach places and security enhancement. Drones can also minimise the time spent during site visits and physical verification of buildings and assets.

Organisations from various industries are now moving towards the use of big data to inform business decisions; this is also referred to as data science. The DPWI has a huge property portfolio and thus a myriad of datasets which can be used for business decisions. DPWI (Real Estate programme), in collaboration with Information Communication and Technology (ICT) and research units in the Department, should look into the use of internal data as an input to optimising the portfolio. To fully utilise technological changes, data management and a shift towards electronic data (from a paper environment) is required.

POLITICAL ENVIRONMENT

In February 2019 and again in February 2020, the President reiterated that infrastructure development is the “flywheel of the engine of our economy”, but that fragmentation between different spheres of Government had been slowing down infrastructure development. The above suggested a need for a fundamental shift in the way public infrastructure programmes throughout the Country are viewed and managed, as well as a review in the role that DPWI plays to become the thought leader and centre of excellence for all public infrastructure development investment and oversight.

In this regard, the Presidential Pronouncement in June 2019 on the reconfiguration of Government, proclaimed that the Department of Public Works (DPW) had to assume the infrastructure coordinating responsibility to integrate and accelerate all public infrastructure development, as well as setting the long-term vision for infrastructure delivery across the sector.

The Presidential Pronouncement changed the name of the Department of Public Works to include “Infrastructure” to conform to the Department’s Ministerial portfolio designation as well as augmented the Department with three additional functions to its mandate namely:

- a) Over and above what it was previously responsible for, the Department will assume coordinating responsibility for all public infrastructure development.
- b) Transfer the Presidential Infrastructure Coordinating Commission (PICC) from the Economic Development Department (EDD) to the DPWI.
- c) The Infrastructure Delivery Management System (IDMS) function, currently under the National Treasury, is transferred to the Department of Public Works and Infrastructure.

By assuming¹⁰ the coordinating and oversight role of “all” public infrastructure and the transfer of the PICC to DPWI, the Department effectively obtains the responsibility of facilitating and coordinating the implementation of the National Infrastructure Plan (NIP)

¹⁰ By time of writing this plan, clarification regarding the new role and functionality of DPWI in co-ordinated infrastructure planning was not confirmed.

and harmonising infrastructure planning and implementation across all spheres of Government, State Owned Enterprises, Public Entities; and Social Partners.

With regards to assuming the IDMS function that previously resided with National Treasury, DPWI must expand its Inter-Governmental Coordination capability with respect to governance and oversight on the implementation of the IDMS across the sector and create the required capacity to become “experts” on the methodology and ensure its application across the sector.

7.2 Demand for Services

For the right changes to be made within an organisation’s operational model and delivery of customised services or products to the client, an evidence-based user demand or activity analysis has to be conducted. A user demand analysis is a method used to gather quantitative data on the demand for a service or product by the client over a given period. Understanding the client demands (needs, wants and expectations) assists the Department in designing the correct service strategy. Below is an outline of what the DPWI has analysed in terms of this technique and it covers the need for skills, work opportunities, accommodation and ultimately the design of the User Asset Management Plan.

DEMAND FOR STATE IMMOVABLE ASSETS

There are a number of demands for services that should be considered. The first relates to the demand for state immovable assets to contribute towards socio-economic objectives. The immovable asset portfolio under the custodianship of the DPWI comprises of 30 494 registered and unregistered land parcels on which 81 573 improvements (buildings and structures) are located. A deemed cost has been quantified for the entire portfolio at **R127 billion** as at 31 March 2019. In terms of categorisation, 59% of the portfolio comprises of buildings for specific departments’ service delivery purposes (e.g. prisons, police stations, courts, etc.), 29% of structures are residential, whilst only 12% of structures are offices.

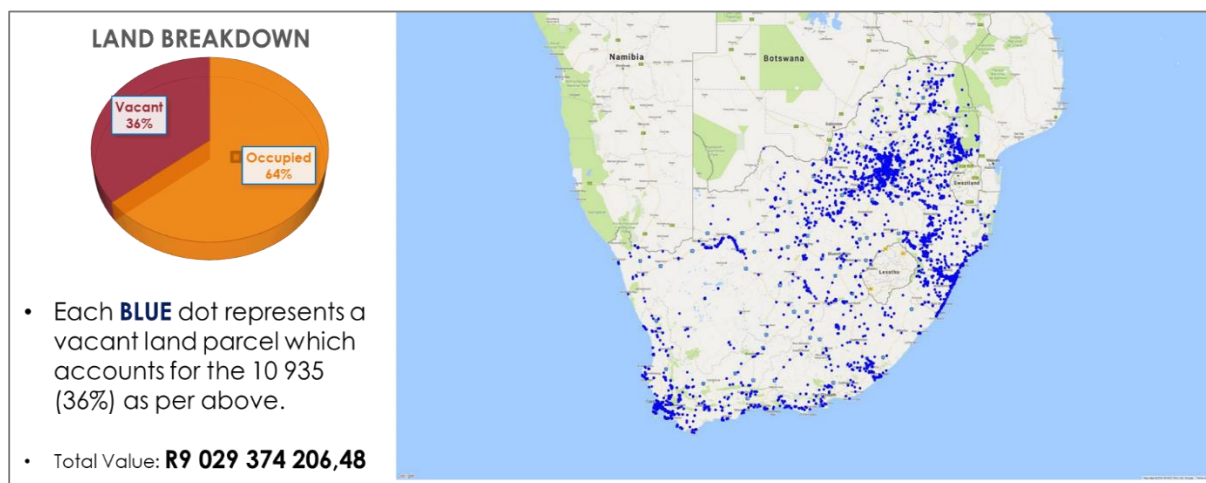
If adequately managed and strategically utilised, the DPWI Immovable Asset portfolio holds extensive benefits and opportunities with respect to South Africa’s broader developmental agenda and socio-economic transformation. The portfolio needs to be spatially known and managed productively to improve service delivery, reducing waste, resource preservation, revenue generation, cost savings and addressing social-economic imbalances.

The Department will continue releasing suitable vacant land parcels to the Department of Rural Development and Land Reform and the Department of Human Settlements, Water and Sanitation for the land reform programme and to address the housing backlog in the country. Similarly, the need for student accommodation has also been a

significant requirement for DPWI to consider in releasing some of its assets. However, over and above the release of suitable land and structures for social purposes, DPWI must pursue more efficient practices and implement initiatives to sweat the maximum potential of the portfolio to trigger and stimulate economic activity. To this extent, unutilised and underperforming structures and land parcels within the portfolio, offer significant opportunity for Private Sector Investment and must be actively pursued through various models.

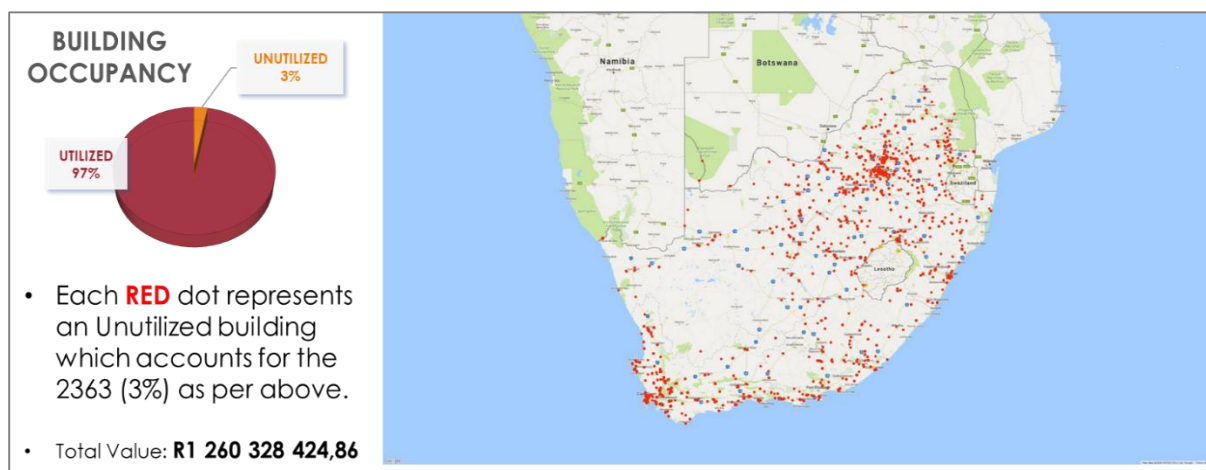
Figures B 23 and B 24 provide a summary of the vacancy rates and geographical views of land parcels, as well as improvements under the custodianship of the DPWI.

Figure B 23 : Vacancy Rate and Geographical view of Vacant Land across South Africa



(DPWI IAR)

Figure B 24: Utilisation Rate and Geographical View of Vacant Land across South Africa



(DPWI IAR)

In terms of accommodation for the DPWI's immediate clients, (User Departments) in support of their basic service delivery mandates, is identified as part of the portfolio planning process within the Department and is captured in an annual User Asset

Management Plan (U-AMP). The U-AMP is a planning tool that enhances uniformity on all conceptual planning of accommodation solutions. The streamlining of the U-AMP templates has enabled User Departments to capture their infrastructure needs for planning of accommodation solutions including their existing and future needs.

The total demand from users is currently approximately 1 432 377 m².

To comply with the prescripts of GIAMA regarding planning for State immovable assets, DPWI continues to provide support to User Departments in developing the U-AMPs. The custodian is expected to assist the User Departments with cash flow projections for rental costs for leased property and also for projects in planning and execution. Feasibility study reports are compiled to provide accommodation solutions in order to facilitate informed and effective decisions on the use and management of immovable assets.

There are currently 409 requests for new accommodation from User Departments across the country. These requirements are currently being procured using goods and service procurement methodology pending approval of acquisition framework by National Treasury. DPWI is in the process of reviewing business processes in terms of the new acquisition of accommodation. In addition, the Department is in the process of finalising an Acquisition Framework which will allow for the efficient and seamless procurement of accommodation for User Departments.

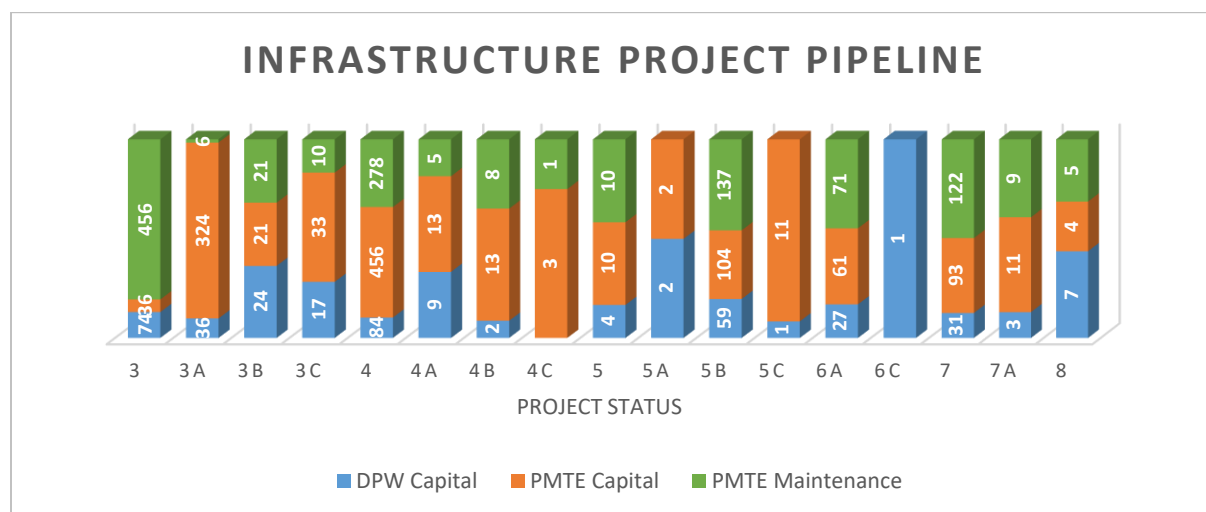
In addition, there is also a demand for new infrastructure. Table B 5 provides a budget summary for new infrastructure projects required by User Departments. These projects include the proposed construction of accommodation for head offices, high courts, precinct developments, correctional centres, police stations and upgrading of State accommodation.

Table B 5: Demand for New Space per User Department (Capital Requirements)

USER DEPARTMENT	AREA REQUIRED (M ²)	TOTAL NEEDS (CAPITAL FUNDS REQUIRED)	2019/2020 MTEF Year 1 requirements	2020/2021 MTEF Year 2 requirements	2021/2022 MTEF Year 3 requirements
South African Police Services	15 334	R 407 384 813	R 75 366 192	R 166 009 305	R 166 009 315
Defence	56 861	R 340 865 000	R 204 897 000	R 67 984 000	R 67 984 000
Justice and Constitutional Development	42 112	R 4 053 099 224	R 504 112 698	R 1 039 960 014	R 2 509 026 512
Correctional Services	4 097	R 68 798 125	R 16 191 301	R 21 934 579	R 30 672 246
Home Affairs	6 098	R 89 955 140	R 7 233 210	R 25 259 375	R 57 462 555
Labour	14 329	R 131 403 513	R 23 256 811	R 66 300 298	R 41 846 403
Environmental Affairs	32 557	R 42 651 735	R 0	R 7 890 570	R 34 761 165
SUM TOTAL	171 388	R 5 134 157 549	R 831 057 212	R 1 395 338 141	R 2 907 762 196

There are approximately 2 800 infrastructure projects within the infrastructure programme of DPWI that are in various stages of implementation. Figure B 25 provides a summary of the infrastructure programme, which runs over multiple years, for new accommodation, replacements, upgrades and additions to existing accommodation. It also provides a summary of the infrastructure programme of User Departments and the Department's Planned Maintenance Programme for the 2019/20 financial year.

Figure B 25: Summary of Infrastructure Projects per Stage of Implementation



(DPWI WCS,2020)

The infrastructure programmes of the DPWI and User Departments will deliver sustainable infrastructure and accommodation to User Departments while supporting economic growth and socio-economic transformation. **Infrastructure projects** include the upgrading of facilities to ensure access to people with disabilities; the upgrading and construction of departmental offices; the development of national Government precincts; the refurbishment of infrastructure-related border post centres, correctional centres, and police stations; and the maintenance of existing facilities.

Introduced in 2004, the Infrastructure Delivery Improvement Programme (IDIP) coined four key problems with regards to lack of capacity and institutional failures in delivering infrastructure:

- a) Inadequate infrastructure planning and a lack of integration in planning, budgeting and execution;
- b) Deficiencies in the institutional environment supporting delivery processes;
- c) Lack within departments of the skills and capacity needed to plan and manage infrastructure delivery; and
- d) Poor information management and reporting.

Lessons learnt from the IDIP suggests five key outputs to address the above namely:

- a) Ensuring that the Infrastructure Delivery Management System (IDMS) is embedded in a supportive and sustainable institutional environment;
- b) IDMS business systems and processes are operational and are being used by departments to plan and manage infrastructure delivery;
- c) Capacity is established within the participating departments to implement, manage and maintain the IDMS;
- d) IDMS monitoring and reporting systems are implemented and are functional; and
- e) IDIP is effectively managed to support the programme partners in implementing the IDMS.

By assuming the IDMS implementation responsibility, the DPWI is required to expand its Inter-Governmental Coordination capability with respect to governance and oversight on the implementation of the IDMS, as well as becoming the “expert” on the IDMS methodology and its application. Public Sector infrastructure implementers should become governance partners and relate within a framework of co-operative governance (e.g. MINMEC) on the implementation of the IDMS, including the Department itself as an implementer of infrastructure.

To this extent, to improve the planning and implementation of infrastructure development, as well as the management of such infrastructure during all lifecycle phases, the DPWI are in the process of implementing the IDMS at National Level by instituting its revised Operating Model and Business Processes.

In line with the new mandate, however, the DPWI has the responsibility to coordinate, support, monitor, implement and control the implementation of the IDMS at provincial and municipal level as well. The approach that will therefore be adopted to ensure adequate IDMS implementation across the sector, will be modelled on the IDMS rollout at DPWI currently underway.

Although the approach will be phased and implemented on a priority basis, the first step for sector-wide implementation will be to familiarise infrastructure implementers with the latest/revised IDMS and thereafter developing their “IDMS aligned” Operating Models. From there, verification and review of Business Processes, Delegations, and Technologies against the IDMS in the form of Standard Operating Procedures (SOPs) before final implementation.

Instituting the above approach however, requires suitable capacity to provide assistance and support for implementing, monitoring and controlling the IDMS at National level (on an ongoing basis), as well as technically supporting provinces and municipalities to develop and improve their infrastructure planning and project management capabilities and the implementation of the IDMS.

It should be noted, however, that due to the sheer size and complexity of the IDMS Implementation Programme through the sector, additional technical skills and capacity will be required for specific periods of time to augment the DPWI function to adequately implement the programme. This includes but is not limited to the enhancement, development and finalisation of the IDM Toolkit; services for the IDMS knowledge transfer to other infrastructure implementers; IDMS Structured Training; IDMS Research and Curricula development.

DEMAND FOR LEASED ACCOMMODATION

Due to the scarcity of appropriate infrastructure in certain areas as well as the time it takes to acquire permanent accommodation solutions for User Departments, Government is compelled to lease accommodation from third party lessors. Table B 6 provides a budget summary for new leases as required by User Departments.

Table B 6: Demand for New Space per User Department (Leasing Requirements)

USER DEPARTMENT	AREA REQUIRED (M ²)	TOTAL NEEDS (LEASES FUNDS REQUIRED)	2019/2020	2020/2021	2021/2022
			MTEF Year 1 requirements	MTEF Year 2 requirements	MTEF Year 3 requirements
South African Police Services	140 491	R 2 179 993	R 691 513	R 726 088	R 762 393
STATS SA	648	R 2 178 245	R 658 080	R 723 888	R 796 277
GCIS	134	R 930 458	R 300 049	R 306 024	R 324 385
Defence	1 155	R 4 191 201	R 1 322 970	R 1 395 733	R 1 472 498
Health	2234	R 10 724 410	R 3 385 195	R 3 571 408	R 3 767 807
Military Veterans	3000	R 13 836 983	R 4 367 700	R 4 607 924	R 4 861 359
Rural Development and Land Reform	2500	R 11 230 015	R 3 544 800	R 3 739 764	R 3 945 451
Justice and Constitutional Development	2 622	R 10 505 922	R 2 676 630	R 3 809 884	R 4 019 408
Labour	179	R 482 000	R 149 141	R 160 381	R 172 478
Agriculture, Forestry and Fisheries	16434	R 136 874 425	R 42 993 600	R 45 573 216	R 48 307 609
SUM TOTAL	169 397	R 193 133 652	R 60 089 678	R 64 614 310	R 68 429 665

(DPWI 2020)

Currently DPWI has 2 547 leases with private landlords countrywide. Many leases do however expire before a permanent accommodation solution can be secured. In the

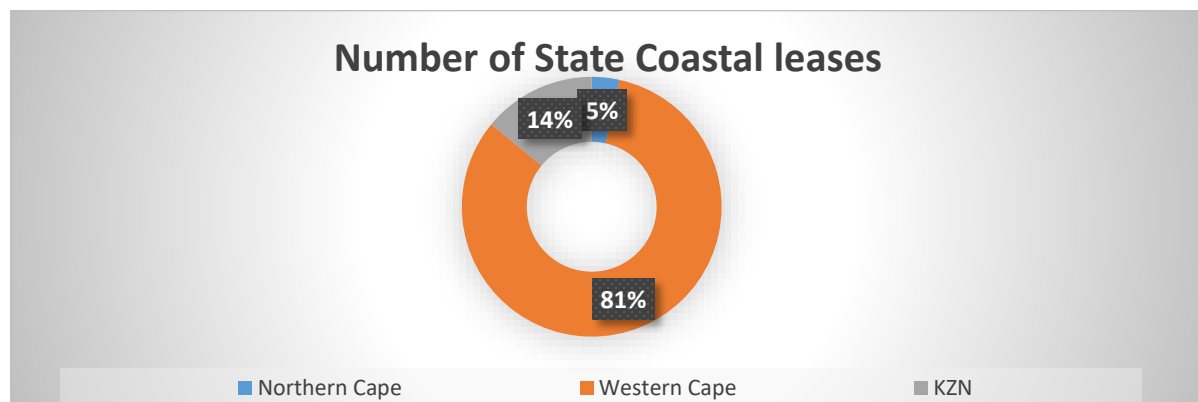
interest of service delivery, unless otherwise agreed, these leases by default continuous on a month-to-month basis. Due to the protracted goods and services framework that the DPWI is compelled to comply with, the volume of leases to be renewed is quite significant.

The renewal of these leases, however, do offer the opportunity to renegotiate the terms of these leases to reduce costs and to positively influence the broader property market and to support transformation so that ownership, management and control better reflect the demographics of the country. The low risk of a public sector tenant, further gives DPWI leverage to strengthen the renegotiation process. National Treasury granted the DPWI approval to renew all expired leases and to renegotiate running lease contracts to secure savings. In this regard a total of 1 379 leases have been renewed to-date with savings of R447 306 539 realised.

Given the strategic location of the State's coastal assets, there is a high demand for the use of space from fishing communities and companies within small harbours and state coastal areas. Current nominal rentals being charged from companies operating these assets, will be deterred with the implementation of the new letting out framework that has a more progressive method of revenue generation. DPWI has received a number of unsolicited bids in the past, showing keen interest within the space of small harbours and state coastal properties.

The leases that are currently in place need to be reviewed against a variety of criteria that deal with the socio-economic parameters of emerging entrepreneurs, but at the same time, ensure that DPWI's revenue is increased proportional to the value of the asset. Currently, there are a total of 333 state coastal letting out agreements which are disaggregated as follows: Northern Cape – 16, Western Cape – 269, Kwa-Zulu Natal – 48, and Eastern Cape - 0. The annual revenue received during 2018/19 was R16 702 251, 00 and an estimated R17 381 042, 00 for 2019/20, with a total 5 594 people employed by the tenants. Figure B 26 provides details on coastal properties let out to the private sector per coastal province. As is clear, there are currently no leases in the Eastern Cape.

Figure B 26: Summary of State Coastal Leases



(DPWI 2020)

DEMAND FOR MAINTENANCE

Within the context of the enormity and complexity of the immovable asset portfolio outlined above, the Department must actively pursue more efficient practices and interventions to improve the state of Immovable Assets under its custodianship. The DPWI is faced with significant asset maintenance challenges attributed to a culmination of various systemic issues with respect to historic operating and funding models. The continued reduction of the infrastructure budgets of DPWI and its User Departments has posed additional risk with regard to development, repair, upgrades and refurbishments. This lack of maintenance will result in the continued deterioration of the buildings currently assessed with a condition of “fair”.

To enable its User Departments to adequately deliver services, the Department has developed a multi-phased maintenance strategy that include: the development of proper protocols with the Department of Labour for OHS&A, direct intervention for critical components, introduction of Total Facilities Management (TFM), extensive use of Fourth Industrial Revolution tools as well as enhancement of the Immovable Asset Register to the level of components. Due to the extensive size of the portfolio of assets, a prioritisation approach has been adopted and will facilitate a deeper level of analysis across major asset lifecycle risks. This will be coupled with the BIM process and the building condition assessment.

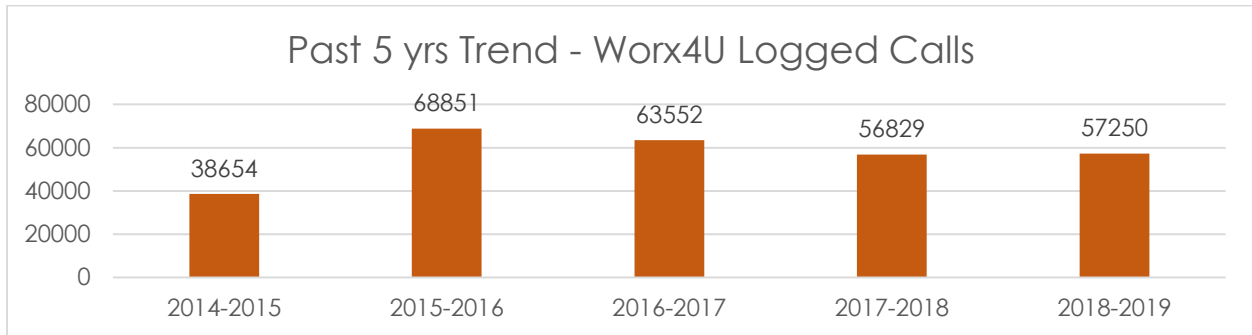
DEMAND FOR EMERGENCY MAINTENANCE SERVICES

As a result of the challenges outlined above, a reactive or day-to-day maintenance approach has been adopted as a default method of maintenance where the DPWI effectively waits for calls regarding items that have broken down (emergencies) and responds through the procurement of services from external contractors. On an annual basis, the Department fields over 50 000 calls for these emergency maintenance requests. This results in extensive operational and management pressure as not all calls can be timeously attended to. Calls for maintenance are categorised into the following:

- Emergency with expected response to have permanent restoration of the fault within 5 days.
- Urgent with expected permanent fault rectification of within 15 days.
- Normal with expected permanent rectification of fault within 30 days.

Figure B 27 is an extract of data from current Worx4U Call Centre that depicts unscheduled maintenance calls logged over five (5) years.

Figure B 27: Summary of Unscheduled Maintenance Services



(Worx4U,2019)

The Legacy Call Centre System and Workflow Management tool was dominated by weak controls emanating from fragmented and manual processes. However, improvements to workflow management for reactive maintenance will assist in streamlining and enhancing these efforts.

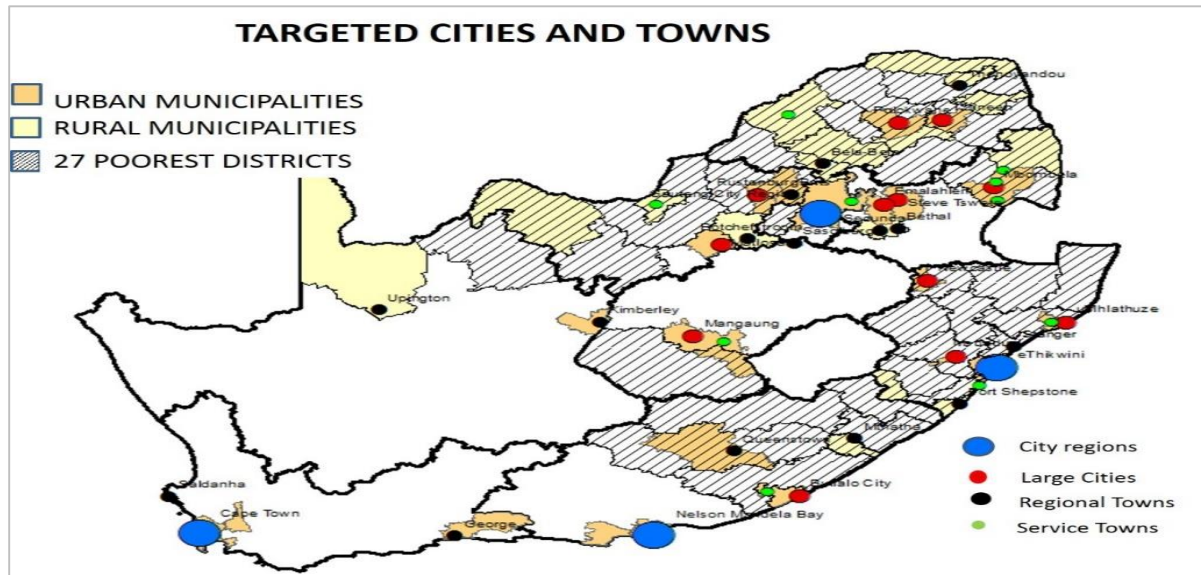
DEMAND FOR PRECINCT DEVELOPMENT

South Africa has 12 large cities where 79% of the population live on 6,9% of the land. A total of 53% of the South African population live in four major cities (2,5% of the land) as do 66% of the formal employed and where 72% of the GVA is produced. Approximately a quarter of South Africans live in Gauteng while 18% live in dense rural settlements on 11% of the land. This implies that cities are under severe stress while the rural settlements are unable to develop a self-sustaining critical mass of people, goods and services. Tribal areas play an important role as 'home' for a large number of rural and urban South Africans alike.

Addressing the backlog of precinct planning has been documented in the Department's Strategic Spatial Framework where a number of cities and towns are targeted for the development of government precincts. The hierarchy of cities and towns to be included in the final list for precinct development included:

- 25 large cities including four City Regions
- 14 rural service centres
- 39 service towns

Figure B 28: Targeted Cities and Towns for Precinct Development



(DPWI Planning and Precinct Development Programme)¹¹

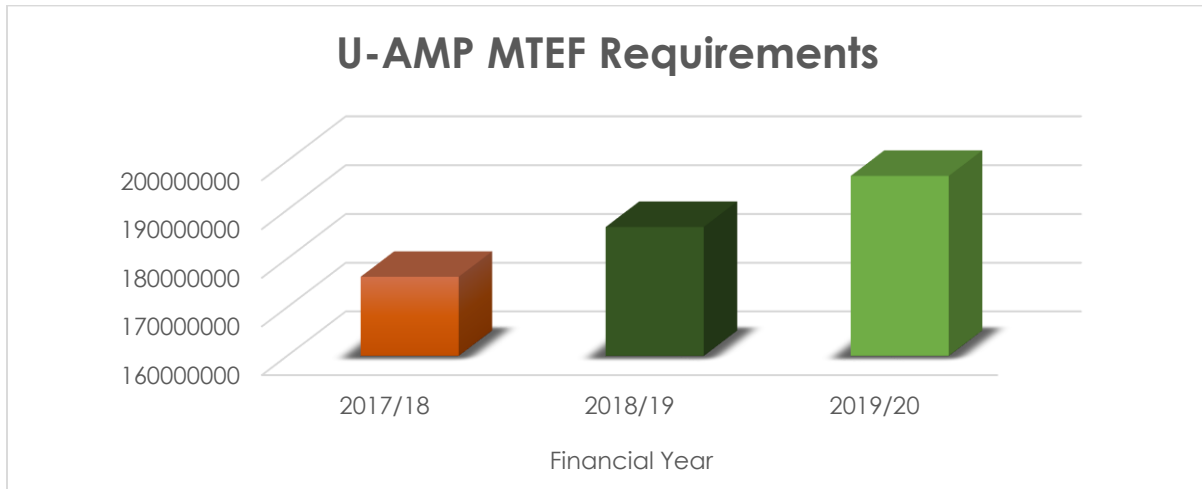
DEMAND FOR PRESTIGE ACCOMMODATION

The expansion and subsequent reduction of Cabinet has resulted in office accommodation constraints and challenges due to various new requests for office accommodation for the additional administrative staff for Parliament. The Department has accordingly acquired Parliament Towers to assist with the accommodation shortage and to reduce lease costs. In order to offer a longer-term solution to the Prestige accommodation requirements, DPWI, together with the secretariat of Parliament, are in the process of assessing the increased needs of Parliament with a view of revisiting plans to construct an office block with interlinking parking. This will also be integrated within the Cape Town inner-city precinct development plans to create further efficiencies and maximise the utilisation of Government land and buildings.

With the expansion of Parliament, there is an increase in the demand for Prestige Services. Figure B 29 indicates the increase in the demand for prestige services in Rand Value over the last three financial years.

¹¹ Planning and Precinct Development, July 2019. Portfolio Committee Presentation, P9.

Figure B 29: Prestige User Asset Management Plan (U-AMP) MTEF Requirements



(DPWI 2020)

DEMAND FOR SKILLS AND PROFESSIONAL SERVICES

In order for the DPWI to deliver on the needs, wants and expectations of its clients, to the benefit of the citizens they serve, there is a need to improve and transform the skills base in the built environment.

The National Scarce Skills List 2015, as gazetted by the Ministry of Higher Education and Training, provides a list of occupations that are scarce and high in demand. This list is of pivotal importance to the Professional Services Programme, as it captures **all built environment occupations with a high vacancy rate in the sector.**

Chronic shortages experienced by the State are reflected throughout the built environment. The Department is required to make informed decisions in conceptualising, strengthening and enhancing capacity-building programmes, especially the Young Professionals Programme and the Artisan Development Programme. The aim is to establish a multi-disciplinary team of experts in the built environment, internal to DPWI that will be deployed at all stages in the infrastructure lifecycle. It is critical that the public sector becomes an employer of choice, plus, is able to match and even be ahead of the private sector in skills and technological advancement.

DEMAND FOR WORK OPPORTUNITIES

Unemployment in South Africa has remained stubbornly high. The ongoing global economic downturn has further exacerbated the situation by contributing to the number of unemployed in South Africa. This state of events emphasises the need for the Expanded Public Works Programme (EPWP) as a unique policy instrument for Government through which to create work opportunities and alleviate unemployment.

The Department is responsible for coordinating, providing implementation support, monitoring and evaluating, and reporting on work opportunities created through the EPWP by implementing public bodies. To this end, the Department ensures:

- Sound leadership and direction in the implementation of the EPWP within public bodies, ensuring mainstreaming of the EPWP Programme in the built environment departments, across all three spheres of government;
- The availability of dedicated capacity for the coordination and implementation of the Expanded Public Works Programme (EPWP);
- That work opportunities created from the budgets of the public bodies are reported and captured on the EPWP Reporting System (EPWP RS) for reporting to Cabinet;
- That EPWP work opportunity targets set in the protocol agreements are met;
- Effective coordination and monitoring of the EPWP within public bodies; and
- That DPWI infrastructure projects are implemented by using labour-intensive methods, where possible, to optimally increase the work opportunities created.

The EPWP aims to assist the poor and unemployed through a combination of geographical and community-based targeting as well as self-targeting (through the wage rate). For all the EPWP sectors, project-based training aimed at capacitating EPWP participants remains an important part of the EPWP. At the same time, it is recognised that the role and importance of training varies considerably from sector to sector and from sub-programme to sub-programme, and each sector will have to develop its own distinct training policy and strategy. Strong collaboration with the National Skills Framework and Skills Education and Training Agencies (SETAs) will continue to source funding for training participants. Sectors will also be encouraged to dedicate a portion of their implementation budgets for the training of beneficiaries. Where possible, the graduation of EPWP beneficiaries into formal employment will be promoted through various initiatives, including cooperatives and small enterprise development.

7.3 Institutional Transformation Analysis

The Department in support of the transformational agenda focuses on the built environment, the EPWP and its own Department as stimuli into the socio economic transformation.

BUILT ENVIRONMENT INFLUENCE ON SOCIO-ECONOMIC TRANSFORMATION

A summary of the cidb register of contractors that focussed only on grades five (5) to nine (9), indicated that 92% of those classified as grade 5 had more than 50% black ownership, whilst only 29% of grade 9 firms had more than 50% black ownership. The

sample had a total of 4 448 contractors, where grade 5 contractors made up 1 194 of these, and grade 9 only 185.

Table B 7 : Approved cidb Grade by Ownership

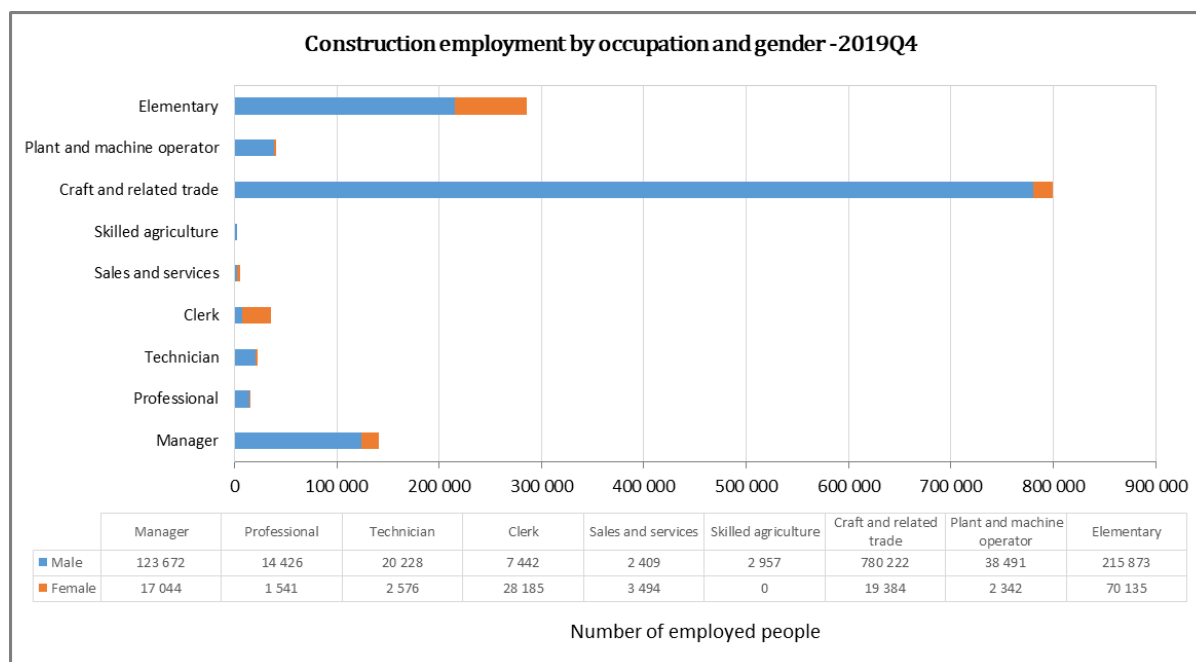
Approved CIDB Grade	5	6	7	8	9	Total
Number of firms with grade	1,194	1,577	1,059	433	185	4,448
% of firms with over 50% black ownership	92%	86%	78%	63%	29%	81%
% of firms with over 50% women ownership	30%	27%	27%	18%	15%	26%
% of firms with over 50% youth ownership	16%	13%	8%	4%	2%	11%

(Construction Industry Development Board (cidb))

As is clearly notable from Table B 7, the trend is a decrease in the percentage of firms exhibiting race, gender and youth transformation as the grading of firms increase. In other words, firms that are qualified to do works with a higher tender value are less B-BBEE compliant. In this regard, subcontracting needs to be used as a vehicle to support immediate transformation, whilst the firms in the higher grade are being encouraged to transform. With respect to the DPWI, the proposed total facilities management programme as well as term contracts are practical programmes through which transformation can be reached in the sector.

The construction sector is one of the most unequal sectors in the country, where more men employed than women. Over the past ten years, up to 90% of people employed in the sector are men. The highest percentage of women recorded in the past ten years was 13% in the second quarter of 2017. As at the end of the fourth quarter of 2019, males account for over 90% of employed people in all except three categories which are clerk, sales and services, and elementary. Females only dominate in the occupations of clerk (79%) and sales and services (59%).

Figure B 30: Construction Sector Employment by Occupation and Gender



The Department, in particular the Real Estate Information Services (REIS) programme, has a high need for professionals in executing its mandate. Given the current market structure, it is clear that anyone seeking professionals is likely to end with an unbalanced staff compliment with respect to both gender and race. To curb this, the DPWI put strategies for developing candidates into professionals in place.

Several successes over the past five years (2015-2019) have been achieved including a higher rate of contractor upgrades observed in most grades for contractors that were taking part in Contract Development Programmes as per the numbers below:

- 42 % of Grade 1 level upgraded to level 2 and higher
- 39% of Grade 2– 4 level upgraded
- 27% of Grade 5 and 6 upgraded
- 28% of Grade 7 & 8 upgraded

Furthermore, as an endeavour to transform the skills in the built environment, DPWI has registered 127 professionals through Human Capital Investment Development programme within 5 years. Continuing challenges that are recorded during the planning process include at least the following: lack of structured mentorship opportunities for the designated groups; lack of legislative enforcement regards to registrations; untransformed registration processes; decrease investment trends in Construction Industries; Contractor Development Programme not mandatory in the built environment; there is also significant underspending on Infrastructure Projects and ineffective alignment between procurement and transformation.

In relation to skills transformation and the reduction in skills gap in the built environment,

the following challenges persist: lack of mentorship opportunities; lack of synergy in the skills development programme; misalignment of the skills supply and demand; lack of legislative enforcement regards to registrations and untransformed registration processes.

SUPPLY CHAIN MANAGEMENT INFLUENCE ON SOCIO-ECONOMIC TRANSFORMATION

DPWI supports empowerment of designated groups through the full implementation of the Preferential Procurement Regulations (PPR) 2017 largely to effect targeted procurement through a prequalification process for procurement and/or mandatory subcontracting in bids that are above a prescribed threshold. The local beneficiation principle in the SCM Policy will improve socio economic infrastructure with emphasis on the use of local content and local companies.

In pursuance of the DPWI's empowerment agenda, all services will designate 85% of the planned procurement spend for empowering small, medium and micro enterprises for the 2020/21 Financial Year, increasing to 90% in the 2021/22 and 2022/23 Financial Years. The Department supports empowerment of designated groups through the full implementation of the Preferential Procurement Regulations (PPR) 2017 largely to effect targeted procurement through a prequalification process for procurement and/or mandatory subcontracting in bids that are above a prescribed threshold.

The Department has also placed emphasis at increasing opportunities for black-owned companies in the leasing in of accommodation from the private sector. In the 2018/19 financial year, the Department of Public Works and Infrastructure awarded a total of 181 tenders of which 165 were to the designated groups. This translates to 91%. In terms of quantum. These tenders amounted to R615 705 698, 00 out of R688 432 134, 00 which translates to 89%, in terms of value.

THE STATUS OF THE INSTITUTION REGARDING COMPLIANCE WITH THE BBBEE ACT

The Preferential Procurement Regulations of 2017 (PPR 2017) issued in terms of the Preferential Procurement Framework Act, Act 5 of 2000 (PPPFA) allows organs of state since 1 April 2017 to utilise prequalification criteria as a means to advance designated groups. The PPR 2017 allows one to stipulate prequalification criteria for preferential procurement by stipulating in the tender advertisement that only the following tenderers may respond:

1. A tenderer having a stipulated minimum BBBEE status level of contribution;

2. An exempt micro enterprise¹² (EME) or Qualifying Small Enterprise¹³ (QSE);
3. A tenderer subcontracting a minimum of 30% to the designated groups (EME or QSE which is at least 51% owned by black people, 51% owned by black people who are youth, women, people with disabilities, military veterans, people living in rural areas or townships and co-operatives).

The intention to advance local service providers would augur well for local economic development, growth and promotion of businesses. Additionally, projects executed by local service providers would then not experience disruptions by communities. NT however advised that the PPR 2017 does not provide for contracting directly with EME's or QSE's that are 51% owned by the designated groups listed in the PPR 2017.

Additionally, National Treasury held the view that set-asides in terms of race or locality, for example will not be consistent with PPPFA (2000) and PPR 2017. Where institutions would like to advance EME's and QSE's owned by black people or any of the other designated groups, NT would encourage such institutions to use Regulation 4(1)(c) and Regulation 9(2) as these provisions will go a long way to advance such persons who were previously disadvantaged. The referenced regulations talk to sub-contracting only.

In view of the above, DPWI advanced a view that one cannot then advance one designated group at the expense of others, there must be an opportunity equally accorded to all. Accordingly, DPWI has implemented sub-contracting as per the PPR 2017 and as such sub-contractors are selected from the various designated groups and utilise prequalification criteria for tenders by stipulating a particular BBBEE level.

Notwithstanding the above, DPWI will review its Supply Chain Management (SCM) policy to exercise Departmental discretion to select only women, youth and people with disabilities as sub-contractors and not any of the other designated groups.

The DPWI has identified all procurement legislation that impedes pursuance of the Department's empowerment agenda and has submitted formal representation to the National Treasury requesting for an urgent review of the legislation. The DPWI has contributed alternate proposals for consideration by National Treasury during the review.

Notably, the Minister's 2019/20 Budget Vote speech stated that the Department has set a target of awarding 40% of maintenance term contracts to companies owned by previously disadvantaged groups with specific bias towards women, youth and disabled persons. To deliver on this, the SCM Policy will also be reviewed to ensure that quotations

¹² An EME (exempt micro enterprise) is an entity that is exempt from producing a BEE scorecard. In terms of the 2007 Codes of Good Practice: An EME is defined as any entity whose annual revenue is less than R5m, depending on sector. (Jul 2, 2014 www.econoserv.co.za › when-is-my-business-an-eme)

¹³ Qualifying Small Enterprise (QSE) is one of the categories of South African businesses as per the Broad Based Black Economic Empowerment Act. "The Broad-Based Black Economic Empowerment Act (53/2003): Codes of Good Practice on Black Economic Empowerment" was gazetted on 9 February 2007

(up to R500 000) are invited from companies owned by women, youth and people with disabilities.

EPWP INFLUENCE ON SOCIO-ECONOMIC TRANSFORMATION

The Expanded Public Works Programme (EPWP) Phase three (3) had demographic targets of 55% Women, 55% Youth and 2% Persons with Disabilities, which was implemented from 1st April 2014 to 31st March 2019. In EPWP Phase 3, the Programme achieved participation of 66% Women, 46% Youth and 1.3% for Persons with Disabilities. The EPWP Phase 4 Target, which is from 1st of April 2019 to 31st March 2024 is 60% Women, 55% Youth and 2% Person with Disabilities. EPWP Phase 4 plans to put in place measure to improve the participation of Youth and Persons with Disabilities, while maintaining the good participation of Women.

The Department aims for the next phase of the EPWP targets to be met, that accurate reporting occurs on the work opportunities created and that data quality is strengthened in the reporting system. Implementing bodies of the respective EPWPs are responsible for capturing progress data directly on the EPWP Reporting System (EPWP RS). Table B 8 provides a summary of the EPWP Phase IV targets (as approved by the Erstwhile Executive Authority) per sector and sphere of Government:

Table B 8: Five-year Targets per Sector (Work Opportunities)

YEAR	INFRASTRUCTURE	ENVIRONMENT	SOCIAL	NON-STATE	TOTAL
2019-2020	321,260	181,458	171,703	307,076	981,497
2020-2021	331,072	185,838	174,204	293,376	984,490
2021-2022	340,114	189,588	175,253	305,017	1,009,972
2022-2023	348,819	193,260	176,474	305,016	1,023,569
2023-2024	358,503	197,103	178,120	305,016	1,038,742
Total	1,699,768	947,247	875,754	1,515,502	5,038,271

(EPWP, 2020)

The targeted numbers, considering the demographic targets and the target of 5 million work opportunities as per the DPME's MTSF is shown in Table B 9:

Table B 9: Targets for Women, Youth and Persons with Disabilities for EPWP Phase 4

TARGETED WORK OPPORTUNITIES FOR WOMEN IN EPWP PHASE 4	TARGETED WORK OPPORTUNITIES FOR YOUTH IN EPWP PHASE 4	TARGETED WORK OPPORTUNITIES FOR PERSON WITH DISABILITIES IN EPWP PHASE 4
3,000,000	2,750,000	100,000

(EPWP, 2020)

Furthermore, in EPWP Phase III (as reported on the EPWP Reporting System) the programme has transferred R36 billion in wages to poor households, positively impacting on the household sustainability. In the 2018/19 financial year, the EPWP contributed to development outcomes in the following way: 38 700 children were provided Early Childhood Development (ECD) services; cooked meals were provided to 440 220 children; 19 729 hectares of invasive alien plants were cleared; 4 390 indigenous trees planted; over 30 000 km of access roads maintained and 1 448 kilometres of coastal areas cleaned and maintained.

In an effort to address the scarce and critical skills required by the economy, the EPWP, through a partnership with the Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) are training youth on various artisan trades such as Auto Electricians, Boilermakers, Diesel Mechanics, Electricians, Fitter and Turners and Motor Mechanics. As of the end of 2017/18, 62 participants have successfully completed their trade test and are now qualified artisans. Approximately 208 Small, Medium and Micro Enterprises (SMMEs), which includes cooperatives and NPOs, have been provided with enterprise development support. Support includes capacity building, assistance with regard to compliance matters and training on existing enterprise support.

In addition to the work opportunities reported, 350 Non-Profit Organisations (NPOs) were supported through the Non-State Sector Programme. However, the following challenges have been experienced in the coordination of the EPWP towards the creation of work opportunities across the country: lack of mainstreaming of the EPWP by some public bodies, where the programme is not seen as a key imperative in service delivery; poor/under-reporting of work opportunities by public bodies; lack of dedicated capacity in public bodies to implement and monitor projects; fair recruitment processes not adhered to; challenges in the auditing of the programme by the Auditor-General where findings for failure by public bodies to comply with EPWP Prescripts are issued to the DPWI instead of the public bodies; inadequate infrastructure budget for DPWI programme due to unilateral budget reductions by client departments and devolution of budgets; ageing infrastructure that leads to increased infrastructure maintenance costs; and lack of compliance to Occupational Health and Safety (OHS) Prescripts.

HUMAN RESOURCES CONTRIBUTION TO EMPLOYMENT EQUITY IN THE WORKPLACE SITUATION

As at 31 January 2020 the Department had a total number of 68 persons with disabilities which translates to 1.36% against the 2% national target. The Department will need to appoint at least 32 persons with disabilities in order to meet the minimum 2% set EE target. The number of women at SMS level is 65, which translates to 37.79% against the 50% target. The Department needs to appoint at least 22 women at SMS level in order to meet the 50/50 gender balance. In line with the approved Departmental EE plan, the shortfall on EE targets in terms of persons with disabilities and women in SMS positions should be addressed in the next five (5) years.

The Human Resources Management component in partnership with the Gender Unit has and will embark on extensive disability awareness and management campaigns, focusing on all aspects associated with the employment of persons with disabilities. An

integral part of the awareness campaigns will be the education of managers around the requirements of targeted recruiting mechanisms and the practical implications of employing persons with disabilities, such as reasonable accommodation and workstation requirements (assistive devices).

Drastic interventions are required in achieving disability equity and the appointment of women in SMS positions, which is a key challenge for most Government Departments. The Department will move beyond targets by ensuring that an environment conducive to the employment of persons with disabilities and women in SMS positions is created. As at 31 January 2020 the Employment Equity profile of the Department can be tabulated as follows per Table B 10:

Table B 10: Employment Equity Summary and Targets

RACE	TARGET	CURRENT STATUS	VARIANCE
Persons with disabilities	2 %	1.36%	0.64 % Shortfall
Males (SMS)	50 %	62.20%	-12.2% Exceeded
Females (SMS)	50 %	37.79%	12.21% Shortfall
Africans	80%	84.43%	-4.43% Exceeded
Indians	3%	1.56 %	1.44% Shortfall
Coloureds	9%	8.14%	0.86% Shortfall
Whites	8%	5.85%	2.15% Shortfall

7.4 Institutional Analysis to deliver on the Mandate

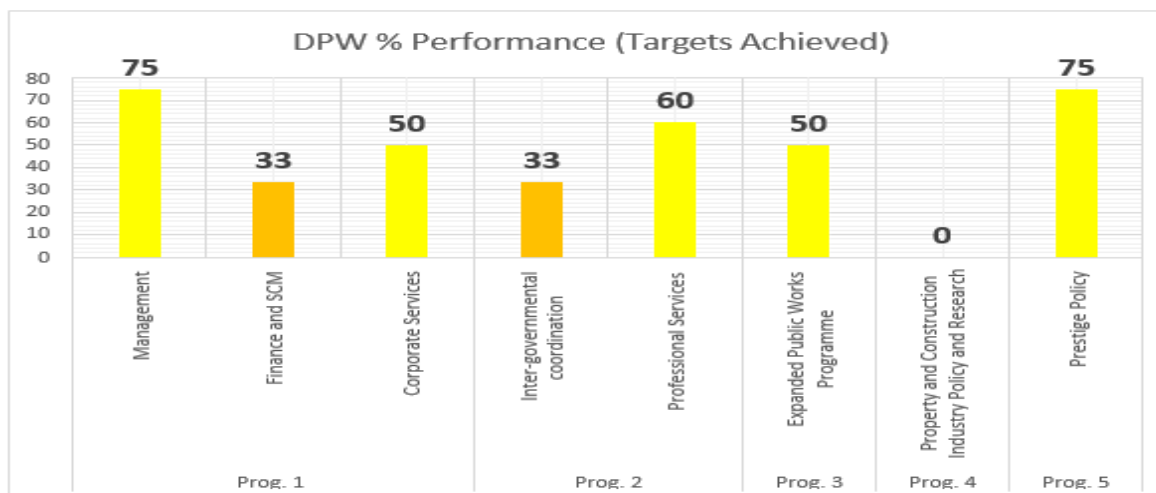
The next section focuses only on certain institutional areas that impacts the organisation to deliver to its full potential on the mandate.

PERFORMANCE REVIEW - PREVIOUS PLANNING PERIOD

The Department's programmes have remained relatively the same as the previous financial years for consistency and measurability of progress over time. The main vote (the Department) focused mainly on fostering intergovernmental relationships, coordination of EPWP programmes, Property and Construction Industry Policy and Research and management of the Prestige Portfolio.

The core business of property management was ring-fenced under the DPWI with emphasis on, inter alia, managing relations between the Department and client departments, planning and precinct development, construction project management and management of facilities and the immovable asset register. The programme structure of the main vote is depicted in Figure B 31 as per 18/19 Annual Report).

Figure B 31: Overview of Performance



The performance of the main vote has been moderate over the period with two programmes facing significant challenges, in terms of Programme 4 (Property and Construction Industry Policy and Research) and Programme 5 (Prestige Policy).

AUDITING

The following Audit issues, as per Table B 11 were raised on the 2018/2019 Annual Report:

Table B 11 : Audit Results per Functional Area

FUNCTIONAL AREA	AUDIT RESULTS (DPWI)
Financial Statements	Unqualified Opinion: Non-compliance was identified with respect to contract management resulting in irregular expenditure. This identified irregular expenditure was subsequently included in the irregular expenditure disclosure note as a matter under investigation. (COFF 7 and 18)
Annual Performance Report	<p>Programme 3: Expanded Public Works Programme received a qualified opinion on the following:</p> <ul style="list-style-type: none"> Number of work opportunities reported in the EPWP- RS by public bodies: 997 286 Work Opportunities reported in the EPWP-RS by public bodies (Cumulative), but the audited value is more, i.e. 1 204 089 Work Opportunities. Percentage EPWP participation amongst designated groups (Women, youth and persons with disability) reported on the EPWP-RS by public bodies: 68% Women; 43% Youth and 1% People with disability. However, the audited value is less: 61% Women 38% Youth 0.79% People with disability.

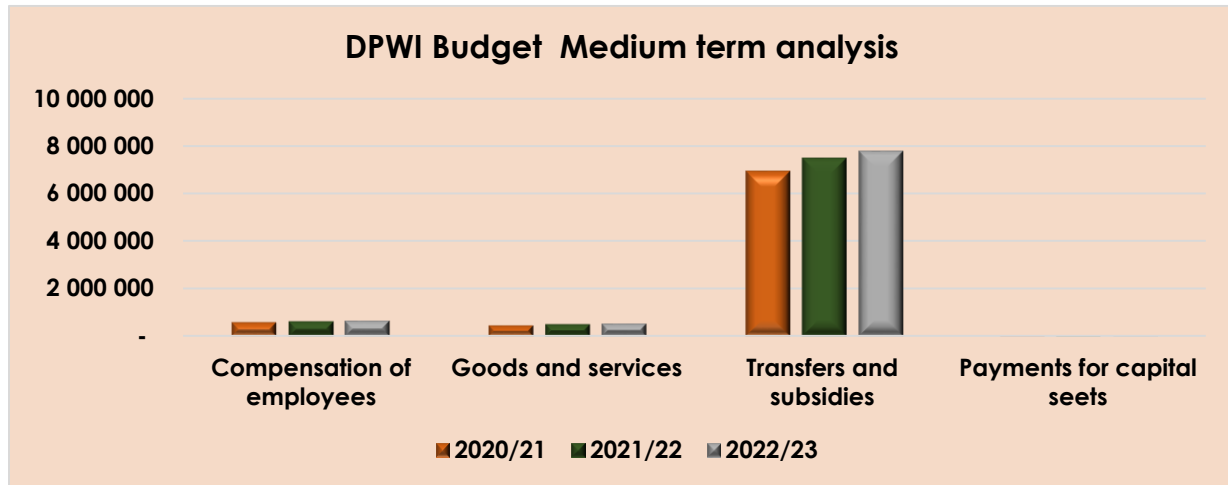
FUNCTIONAL AREA	AUDIT RESULTS (DPWI)
Compliance with Legislation	<ul style="list-style-type: none"> The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework in certain instances, as required by section 40(1) (a) of the Public Finance Management Act. Payments were not made within 30 days or an agreed period after receipt of an invoice in certain instances, as required by Treasury regulation 8.2.3. Some of the contracts were extended or modified without the approval of a properly delegated official as required by Section 44 of the PFMA and Treasury regulations 8.1 and 8.2.
Other	<ul style="list-style-type: none"> Inadequate monitoring of action plans to address prior year findings resulting in similar findings on Programme 3: Expanded Public Works Programme in the current year.
Financial Statements	<p>Qualified Opinion: In terms of GRAP 7: <i>Property, plant and equipment</i> and GRAP 7: <i>The application of deemed cost</i>, the Trading Entity incorrectly utilised source data in determining deemed costs of the property being measured and also recognised assets for which it did not retain proof of ownership, thus overstating property, plant and equipment by R16 344 728 202, impacting the surplus for the reporting period and on accumulated surplus.</p>
Annual Performance Report	<p>Material Findings on usefulness and reliability of performance information:</p> <ul style="list-style-type: none"> <i>Programme 3: Construction Project Management</i> - sufficient appropriate audit evidence not obtained as the entity did not have an adequate performance management system to support reported achievement of 5 607 work opportunities created against the planned target of 7 511 EPWP work opportunities. <i>Programme 4: Real Estate Management Services</i> – sufficient appropriate audit evidence not obtained to confirm variance on performance relating to: <ul style="list-style-type: none"> Savings on leases – R332m savings against a target of R200m. Revenue increase on rentals: 5,3% increase against a target of 10%. Work opportunities created: 775 against a target of 1 000. Occupation status verification on state-owned properties: 505 verified against a target of 400. Spatial and economic development frameworks (SEDFs): 0 completed against a target of three (3) for identified rural coastal towns. <i>Programme 6: Facilities Management</i> – sufficient appropriate audit evidence not obtained to confirm reported achievement on the following: <ul style="list-style-type: none"> Unscheduled reported maintenance: 3.89% resolved on time against a target of 15%. Reduction in energy consumption 187 780 293KWh against a target of 150 000 000KWh. Reduction in water consumption: 127 808 65kl against a target of 8 000kl.

FUNCTIONAL AREA	AUDIT RESULTS (DPWI)
<p>Compliance with Legislation</p>	<ul style="list-style-type: none"> • <i>Annual financial statements:</i> <ul style="list-style-type: none"> ○ were not submitted within two months after the end of the financial year as required by section 40(1)(c)(i) of the Public Finance Management Act. ○ submitted for auditing were not prepared in accordance with the prescribed financial reporting framework in certain instances, as required by section 40(1) (a) of the Public Finance Management Act. • <i>Expenditure management:</i> <ul style="list-style-type: none"> ○ Effective and appropriate steps were not taken to prevent irregular expenditure in certain instances as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1. ○ Payments were not made within 30 days or an agreed period after receipt of an invoice in certain instances, as required by Treasury regulation 8.2.3. ○ Payments were made before services were received (operating leases) thus contravening Treasury Regulation 15.10.1.2(c). • <i>Procurement and Contract management:</i> sufficient appropriate audit evidence not obtained to confirm that a delegated official had approved extensions or modifications to contracts to comply with section 44 of the Public Finance Management Act and Treasury Regulation 8.1 and 8.2 in certain instances. • <i>Revenue management:</i> No effective and appropriate steps were taken to collect all monies due to the Department as required by section 38(1)(c)(i) of the Public Finance Management Act.
<p>Other</p>	<ul style="list-style-type: none"> • Identified internal control deficiencies include: <ul style="list-style-type: none"> ○ Inadequate oversight on effective implementation of Audit Action Plans. ○ Performance record keeping not implemented in some instances. ○ Inadequate periodic review of financial and performance reports. ○ Delayed implementation of the financial accounting system prolonging the process of preparing financial statements. ○ Ineffective review and monitoring compliance with applicable legislation in certain instances. • Investigations: <ul style="list-style-type: none"> ○ Special Investigations Unit on supply chain management irregularities (2010-11 to 2018-19) still in progress. ○ Public Service Commission on personnel appointments (completed in Feb 2019).

FINANCIAL CAPACITY

An estimated 86.6 per cent (R22.2 billion) of the Department's total budget over the MTEF period is allocated for transfers and subsidies for the operations of the Department's entities, and conditional grants to provinces and municipalities for the implementation of the Expanded Public Works Programme. An estimated 7.3 per cent (R1.9 billion) of the Department's budget over the period ahead is earmarked for spending on compensation of employees.

Figure B 32: DPWI Budget Medium Term Analysis



To provide and enhance the management and technical capacity of the 290 public bodies that implement the EPWP programme each year, the Department has set aside R2.7 billion in 2019/20 to R3.2 billion in 2022/23 for the Expanded Public Works Programme employees' salaries and for goods and services, particularly data capturing, verification, monitoring and evaluation.

DPWI provides office accommodation to client departments and attempt that its buildings are well maintained and that property rates are paid to municipalities. The Property Management Trading entity accounts for 53 per cent or R13.6 billion of the Department's total spending of R25.7 billion over the medium term.

For DPWI to carry out this oversight role, R87.6 million over the MTEF period is allocated in the Intergovernmental Relations and Coordination sub-programme in the Intergovernmental Coordination programme, with spending on compensation of employees accounting for an estimated 80.4 per cent (R70.5 million) of this amount. The Intergovernmental Coordination Branch has a total budget of R203.9 million over the medium term, increasing at an average annual rate of 7.3 per cent, from R56.4 million 2019/20 to R69.8 million in 2022/23.

DPWI's investment in young built environment professionals extends to ensuring the

participation of an estimated 1 200 beneficiaries per year over the medium term in DPWI's skills development programme. An estimated 2 780 beneficiaries have participated in the programme since its inception in 2017/18. An allocation of R99.9 million over the medium term for skills development activities is made available in the Professional Services sub-programme in the Intergovernmental Coordination programme.

Expenditure for activities related to the regulation and transformation of the construction and built environment sectors is expected to amount to R106 million over the medium term in the Property and Construction Industry Policy and Research programme. This programme has a total budget of R14.3 billion over the MTEF period, increasing at an average annual rate of 3 per cent, from R4.5 billion in 2019/20 to R4.9 billion in 2022/23.

DPWI aims to curtail fraud and corruption, ensure the efficient use of state resources, and improve service delivery and stakeholder confidence. To carry out governance, risk and compliance activities, an estimated R162.6 million over the medium term is allocated in the Management sub-programme in the Administration programme.

PROPERTY MANAGEMENT TRADING ENTITY BUDGET

The PMTE¹⁴ was established following a decision in 2006 that costs related to accommodation be devolved from the Department of Public Works to User Departments. The interim entity performs immovable asset management functions on behalf of the Department, including the provision of residential and office accommodation for User Departments at the national government level; and acquires, manages, operates, maintains and disposes of immovable assets in the Department's custody. On a cost recovery basis, the entity finances the purchase, construction, refurbishment and maintenance of nationally owned government properties; and manages the leases of privately-owned properties accommodating national departments.

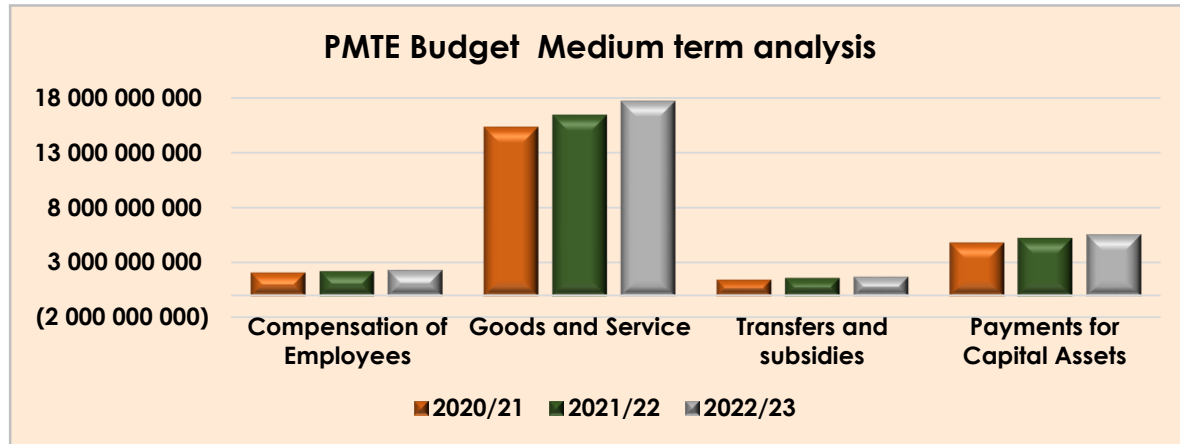
Over the medium term, the entity will focus on developing government precincts to support efficient and integrated planning, refurbishing and maintaining government buildings in its portfolio and developing 12 small fishing harbours. To achieve these objectives, the entity plans to spend R61.1 billion over the MTEF period, with expenditure projected to increase at an average annual rate of 9.3 per cent, from R16.7 billion in 2019/20 to R21.8 billion in 2022/23. An estimated 80.3 per cent (R62.3 billion) of the entity's

¹⁴ The PMTE was initially established, on an interim basis, to apply professional business approaches in managing and optimising the State's immovable asset portfolio for maximum return. The PMTE's interim status was never reviewed and converted into permanent. Further, over the years of its existence, it has experienced major financial and managerial problems. The PMTE has also never fully been able to realise its intended business-related mandate. On the contrary there has been a substantial amount of fraud, corruption, fruitless and wasteful expenditure and policy deviation uncovered in the PMTE, which needs to be eradicated.

Over the 2020/21 FY, the new re-organised structure of DPWI will come into existence and the PMTE will be dissolved back into DPWI. Further, DPWI will have on singular Budget Vote with 6 Programmes (this will include the new Infrastructure Programme).

total budget is allocated to goods and services, mainly for repairs and maintenance to state-owned buildings and lease payments.

Figure B 33: PMTE Budget Medium Term Analysis



A key component of the PMTE's funds will be channelled towards improving access for people with disabilities, including the completion of 58 accessibility infrastructure projects over the medium term. These include the construction of new office buildings for 24 departments, 77 refurbishment projects; including correctional centres, police stations, courts, office buildings and prisons. The execution of these projects is projected to cost R7.4 billion over the MTEF period. A further R4.5 billion has been allocated over the medium term for ad-hoc building maintenance.

The PMTE generates revenue mainly through charging management fees for the payment of municipal services, rental fees to user departments for accommodation and through transfers from the Department. Transfers account for an estimated 18.2 per cent (R13.6 billion) of total projected revenue of R76.9 billion over the medium term. Total revenue is expected to increase at an average annual rate of 8.7 per cent, from R21.3 billion in 2019/20 to R27.4 billion in 2022/23.

FINANCIAL SUSTAINABILITY

The funding gap to provide the appropriate quality of accommodation services is a Sector wide issue for the broader Public Works and transcends both the national and provincial spheres. The DPWI's asset maintenance challenges are a culmination of various systemic issues with respect to Asset Lifecycle Management and historic operating and funding models.

With the aim of increasing transparency and accountability in public finances with regard to the cost of accommodation, the devolution of accommodation-related budgets to User Departments in 2006 saw the transfer of all budgets for leases, maintenance, property rates and municipal services previously on the baseline of the DPWI, to its User Departments. The devolved maintenance and property rates budgets

would be returned to DPWI by User Departments in the form of accommodation charges. DPWI as custodian would pay property rates and carry out maintenance on state-owned properties, utilising funds from the accommodation charges collected from User Departments.

With the devolution, the tariffs recommended by DPWI as a minimum prerequisite just to operate the 14 types of state owned properties on behalf of User Departments was unaffordable to Government. Instead, a rate of approximately a fifth of what was required, was agreed to in the Devolution Framework of 2006. A tariff of R26 per m² square meter for example was needed as a minimum requirement for office type accommodation, although a rate of only R4.74 m² was finally settled. It is therefore evident, that from its inception, the DPWI commenced with a substantial unfunded accommodation mandate.

Further exacerbating this deficit, the agreed tariffs for the 14 facility types did not increase annually by the agreed 15% and resulted in a further estimated R2 billion operational funding gap per annum to adequately maintain and operate the portfolio. This amount is on over and above the substantial capital shortfall required to upgrade and refurbish the deterioration of the portfolio which has been prevalent since 2006. Such capital injection has a direct impact on the DPWI's ability to implement an adequate maintenance and facilities management strategy.

The desired facilities management strategy which includes the requirement for capital investment was costed for a **pilot of 13 properties in Pretoria**. The estimated cost for uplifting the condition of these facilities to an appropriate level amounted to R650 million (*R0.65 billion*). The significance of the funding gap is clear when considering that the total 2019/20 maintenance budget (Day-to-Day; Repair and Refurbishments) for the entire portfolio was only R3.9 billion. The maintenance activities are therefore significantly under-budgeted from both a capital and operational expenditure perspective.

The continued reduction of the infrastructure budgets of DPWI and its User Departments poses additional risk with regard to development, repair, upgrades and refurbishments. The upkeep of the portfolio has effectively been compromised as it is not adequately funded through the budget baselines.

Various cost efficiency enhancement measures as well as revenue generating initiatives that DPWI has embarked on would be inadequate to cover the full spectrum of the backlog and the ongoing operations and maintenance costs of the assets. Even the disposal of excess land parcels and buildings, estimated at approximately R7.4 billion (once-off proceeds), provides no sustainable solution to addressing the DPWI's annually recurring funding gap.

Revising the tariff structure remains the most appropriate and feasible solution in addressing the financial sustainability and maintenance challenges. In this regard, the

Department is collaborating with National Treasury and agreed jointly agreed on a five year phased programme to revise tariffs via the Medium Term Expenditure Committee (MTEC) process. The accommodation charges as scientifically determined through the User Charges Model will form the basis of reasonable compensation of actual accommodation occupied by User Departments and should hold preference in support of the DPWI's drive towards financial sustainability.

HUMAN RESOURCES CAPACITY

The DPWI has a total staff establishment of 4 986 posts. The Main Vote has a total staff establishment of 701 posts of which 643 are filled permanently, 58 are filled additionally and 80 are vacant and the current PMTE has a total staff establishment of 4 285 posts of which 3 829 are filled permanently, 456 are filled additionally and 520 are vacant. Approximately 80% of the PMTE headcount is located at the Regional Offices as at the end of November 2019.

In responding to the priorities of National Government, an integrated Human Resource Plan has been developed and is being implemented through an intensive recruitment drive to ensure that the Department has the required skills and competencies to deliver on its mandate and objectives and to proactively address the Department's prioritised areas.

The current capacitation of DPWI is weakened by a number of issues that includes high level of contract employees and an organisational structure that is confined to the allocated compensation of employees.

However, as one of the successes, post approval of the 2016 organisational structures realised the reduction of contract positions into permanent appointments, for an example, security officers and cleaners. A separation of organisational structure into the main vote and the PMTE allowed for improved governance and delivery of projects.

INFORMATION AND COMMUNICATION TECHNOLOGY CAPACITY

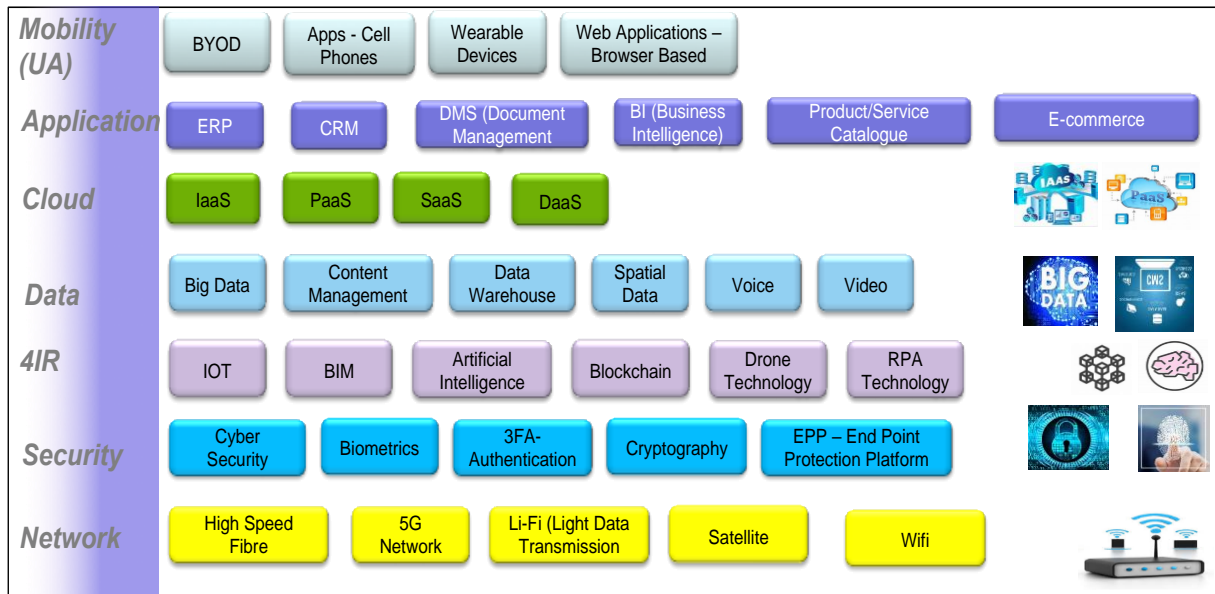
DPWI has Legacy Systems (WCS and PMIS), Worx4U and currently implementing SAGE and ARCHIBUS to replace the legacy systems. WCS is used for Construction Project Management, PMIS is used for Property Management and Worx4U is used for Unscheduled Maintenance Call Centre Incident Management. ICT is also responsible for the EPWP Reporting System used for capturing information from implementing bodies (e.g. municipalities) and reporting by DPWI on the EPWP programme. The Reapatata System is used by DPWI for invoice tracking.

DPWI has inaugurated a target ICT state that will be achieved through a digital transformation initiative. The elements of digital transformation are modernisation of

systems, automation of processes and digitalisation of enterprise data which must take place within a proper ICT governance environment. Firstly, the target state will be realised when the full implementation of the Corporate Governance is achieved through establishing a functioning ICT Executive Committee whose role is to ensure that executive oversight is driving ICT strategic investment decisions. Secondly, a working ICT Executive Committee will strengthen an IT service delivery model which will focus on predictable delivery of services and projects.

Additionally, the reconfigured enterprise architecture will enable and land all solutions that are intended to support the planned strategy can be diagrammatically represented as per Figure B 34.

Figure B 34: Planned System Architecture



In the immediate future ICT is reworking the best way to reconfigure and capacitate the Unit in order to effectively and efficiently respond to the DPWI expanded mandate. There are a number of immediate term actions that are critical, which are being expedited:

1. Reconfigure the ICT Unit in DPWI in order to ensure that it can address the system needs from an organisational perspective as well as a functional perspective (something that has been lacking until now);
2. Secure a comprehensive programme that will complete the ARCHIBUS System by the end of July 2020 and then go on to initiate, through BIM technology the condition assessment process for government buildings;
3. Implementation of Block Chain Technology, with specific reference for SCM across DPWI;

4. Develop a single repository for all public immovable assets and linkage to a layered, intelligent GIS system that can be used for a multiplicity of applications within DPWI.

INTEGRATED PLANNING ON INFRASTRUCTURE PROJECTS CAPACITY

Significant legislation has been enacted that support an integrated approach to infrastructure devolvement and the management of infrastructure portfolios e.g. Infrastructure Development Act, GIAMA and SPLUMA. The National Development Plan and National Spatial Development Framework provide National Schema for spatial targeting and funding sources are available e.g. Infrastructure fund, PPPs, BRICS and DBSA. The pipeline of infrastructure projects are available across the spheres of government and the pockets of integration in the recent decade have led to sizeable infrastructure projects such as the 2010 Soccer stadia, Gautrain and upgrading of certain airports, highways and harbours which impacted economic growth, job creation and an improved life for the communities involved.

The establishment of the DPWI Precinct Planning and Development Programme aimed at integrating all spheres of government in the realisation of accessible government services and the establishment of the PICC provides a facilitation and coordination role for public infrastructure development.

Eighteen (18) strategic infrastructure projects as catalysts to further growth and development has been identified and a GIS facility has been established to support government-wide geo-spatial initiatives.

However, the following challenges are still persistent: fragmented government approach to planning; life-cycle approach lacking in relation to the management and maintenance of infrastructure; lack of bulk infrastructure services in rural towns; inadequate capacity to plan for infrastructure development and poor project preparation; urbanisation leading to the decline of small towns; IDP's and SDF's either not developed, or inadequate; state immovable assets not sufficiently unlocked for job creation; no single repository of all state land and assets; quality of data across the state with regards to infrastructure is poor and unreliable; inadequate monitoring of project implementation; inadequate life cycle planning; inadequate capacity to plan for infrastructure development and poor project preparation.

THE DPWI IMMOVABLE ASSET PORTFOLIO

A desktop condition assessment has been conducted which revealed that less than 1% of all facilities assessed as being of excellent condition, 13% being in good condition, 77% as being in fair condition, whilst a significant 9% (7356 facilities) have been assessed as being between poor to very poor state.

A high-level analysis of the condition of components such as water, waste-water treatment facilities and a detailed condition assessment of all boilers and lifts, has

revealed that most are out of their useful lives and require urgent intervention to prevent catastrophic consequences.

The Department has been providing maintenance services through two approaches namely: Reactive or Emergency Maintenance (also known as Day-to-Day Maintenance) and Repair and Refurbishment Maintenance. These maintenance strategies, in effect, operate in a “run-to-failure” mode where relief is only provided after failure of assets.

Public Works Green Building Policy was launched in 2018/19 during the 11th Green Building Convention. Announcement by the Hon Minister of collaboration on the review and planned rollout of revised Green Building Rating Tools between DPWI, Green Building Council SA, and Agrément South Africa.

The DPWI's Water Efficiency Programme contributes towards reducing water wastage across the Government portfolio. The 'War on Leaks' Programme led by the Department of Water and Sanitation will create opportunities for prospective water agents, artisans and plumbers to participate in facilities management projects to acquire the practical experience they require to graduate.

The water savings achieved during the 2017/18 financial year amounted to 10.5 million KL, exceeding the set target by almost 6 million KL. This amounts to approximately R60 million in monetary savings as a result of water savings to date. For 2018/19 savings of 10.5 million KL were realised. Additionally, the assessment of water infrastructure and development of water efficiency strategies have been completed for 100 of the largest facilities in the DPWI portfolio.

Condition assessments were conducted for 51 water treatment facilities in 9 regions and 82 waste-water treatment facilities in 11 regions. The blue and green drop improvement plans were completed for further implementation based on recommendations to successfully achieve the full blue and green drop requirements as stipulated by water and sanitation regulations.

The DPWI has successfully established the Blue Drop requirements, conducted an analysis of current conditions and developed a Blue Drop Improvement Plan for 51 water treatment facilities at 9 Regions. In addition the DPWI has established Green Drop requirements, conducted analysis of current conditions and developed Green Drop Improvement Plan for 82 wastewater treatment facilities in the various regions has been completed.

Significant energy savings have been achieved thus far through the incorporation of Energy Efficient Technologies such as Smart Metering and Lighting. Savings of 183 million kilowatt hours (kWh) has been realised for the 2017/18 financial year and 150 million kWh for 2018/19, which amounts to estimated R170 000 000 and 10 million kWh renewable energy to be generated.

Intergovernmental cooperation between DPWI, Department of Mineral Resources & Energy, and Department of Environment, Forestry, and Fisheries which secured €20Million (R350 Million) for preparations and rollout of Vertical-Nationally Appropriate Mitigation Actions programme (VNAMA) – Energy Efficiency in Public Buildings Programme.

Challenges experienced in the Infrastructure and Asset Management environment of the organisation include an ageing portfolio, which is characterised by high backlog maintenance, resulting in poor compliance to OHSA.

Baseline Budgets for maintenance are not commensurate with the size and condition of the portfolio. Due to the systemic funding challenges, the Capital Refurbishment Programme is highly constrained due to conflicting demands emanating from the poor condition of the portfolio. This results in consistent budgetary shortfalls which compromise the scheduling of the refurbishment works and subsequently the mode of operating defaults to a “run-to-failure” maintenance approach.

The dearth of built-environment technical competence within the state, thus making it difficult for the staff to engage technical issues comprehensively with maintenance service providers and User Departments.

Due to the outsourcing of most of government services, procurement has become a vehicle through which most works are being executed. This provides a conducive environment for rampant corruption which is prevalent especially within the reactive maintenance workflows. This is further exacerbated by the poor quality of service providers at this level.

INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM

As part of enhancing efficiencies within the core infrastructure delivery and property management functions of the Department, the implementation and rollout of the IDMS has been underway. As full implementation of the IDMS entails aligning all organisational processes, procedures, and delegations with the standard, the IDMS evidently became central in developing the Department's Operating Model, and thereafter, the review and development of the “To-Be” business processes and procedures. The implementation of these developed “To-Be” business processes, therefore means implementation and full compliance with the IDMS and FIDPM.

Although the IDMS utilises an infrastructure gateway system that deals with the generic work flow associated with the delivery and maintenance of infrastructure, and generates information which informs decisions at particular points, it does allow for institutions to add additional gates within a stage although none may be removed at any stage.

To this extent, although resembling the IDMS in appearance, the DPWI Operating Model is unique to the National Department of Public Works and Infrastructure with the addition of Property Management and interrelated enablers such as the Immovable Asset Register, Supply Chain Management (SCM), Generally Recognised Accounting Practice (GRAP) compliant Financial Reporting and Accounting etc., but is still fully aligned and complies with the IDMS and SIPDM (now FIDPM).

The operating model includes alignment with all existing legal mandates, roles, responsibilities and accountabilities, as well as provides an integrated End-to-End view of the key operations of the PMTE in its simplest possible form to achieve its key core outputs namely:

- Portfolio Management
- Programme Management
- Leasing, Letting & Property Management
- New, Upgrades and Renewals
- Operations and Maintenance Management

The Operating Model further provides for the division of roles and responsibilities between the existing PMTE programmes in terms of Real Estate Investment Services (REIS), Construction Project Management (CPM), Real Estate management Services (REMS), Real Estate Information and Registry Services (REIRS) and Facilities Management (FM), as well as the allocation of roles and responsibilities between the different service delivery tiers within the Department.

The Operating Model is supported by the existing functional organisational structures of the DPWI. The post provisioning is aligned to the requirements of the core business roles and primary functions of each division where the roles and responsibilities are indicated in the Responsibility Matrix indicated on the approved organisational structure.

As highlighted above, the IDMS rollout within the Department is currently underway, with the approach adopted, to firstly familiarise the latest/ revised IDMS, verifying the developed and revised Operating Model and End-to-End Processes Flows, alignment with the standard, and thereafter interrogating the associated Business Processes, Delegations, and Technologies in the Standard Operating Procedures (SOPs) which will be signed-off, trained and implemented during the 2020-2021 Financial Year.

7.5 Problem Tree Analysis – Methodology

The revised framework for Strategic Plans and Annual Performance Plans (FSPAPP) from DPME, 2019 outlines tools and methodologies to be used for implementation of a Results-based methodology. A results-based approach requires of institutions to contribute directly or indirectly to the achievement of a set of results; ensuring that their processes, products and services contribute to the achievement of desired results (impact, outcomes, outputs, activities, inputs) (UNDG, 2011).

PROBLEM AND SOLUTION TREES

The DPWI made use of Problem and Solution tree diagnosis to conduct the **Internal Environmental Analysis** (as it'll be outlined below) to inform the Strategic Plan for the next five years. This intervention enabled managers to consolidate the challenges within the Department and to use the analysis to develop alternative approaches within the DPWI. The problem analysis process was the first step to create ownership, understanding and commitment from all parties towards the achievement of the identified impact/s, and the 6th Administration Government Priorities.

As a point of departure in the Problem and Solution Tree diagnostic process, the following three thematic areas were utilised as hinges. The first two thematic areas were chosen as a result from the internal situational analysis information as highlighted in the previous section. The third thematic area was chosen because of the added function to the Department under the sixth administration.

In spite of certain interventions during the previous financial years, DPWI intrinsically identified one core root problem in the effective functioning of the Department:

- **a non-integrated approach to planning, implementation and support**

The further function of infrastructure investment added to the Department led to a government-wide infrastructure and implementation problem analysis, which also indicated fragmented planning and implementation as the root problem to successful infrastructure investment and implementation.

Thus, all three root causes through a problem analysis identified lack of integrated planning internally and externally as the core problem for successful implementation. The three groups divided and explore the three themes as presented in Table 12:

Table B 12: Themes

<p>Theme 1: Performing Organisation¹⁵</p> <p><i>What is the core problem that the organisation is not performing well?</i></p>	<ul style="list-style-type: none"> ● Supposition: What are the elements of a High Performing Organisation? And where does the DPWI stand?
<p>Theme 2: Integrated Planning¹⁶</p>	<ul style="list-style-type: none"> ● Supposition: DPWI has changed significantly from its original mandate in terms of organic growth and

¹⁵ "A **High Performing Organisation** is an **organisation** that achieves financial and non-financial results that are exceedingly better than those of its peer group over a period of time of five years or more, by Focusing in a disciplined way on that which really matters to the **organisation**." André de Waal – HPO Center.

¹⁶ **Integrated Planning:** A process where DPWI facilitate a shared understanding and aligned infrastructure investment and development spending with all participating at relevant level and stakeholders internal and external. Also identifying gaps and determine opportunities for engagement.

<p>Why does the Department not function smarter on its delivery and mandate?</p>	<p>external environmental pressures and expectations and that its current role was ill-defined and misunderstood to enable it to implement the existing mandate, particularly as an implementer, coordinator and monitor of sector plans and the built environment.</p>
<p>Theme 3: Infrastructure¹⁷ Investment</p> <p>What is the core problem government-wide that infrastructure investment does not contribute to economic growth as it should?¹⁸</p>	<ul style="list-style-type: none"> • Supposition: The infrastructure investment function migrated to the DPWI department to overcome the fragmented approach in infrastructure investment across the different spheres of government.

Subsequent to the analysis, the following results were derived:

Theme 1: A Performing Organisation

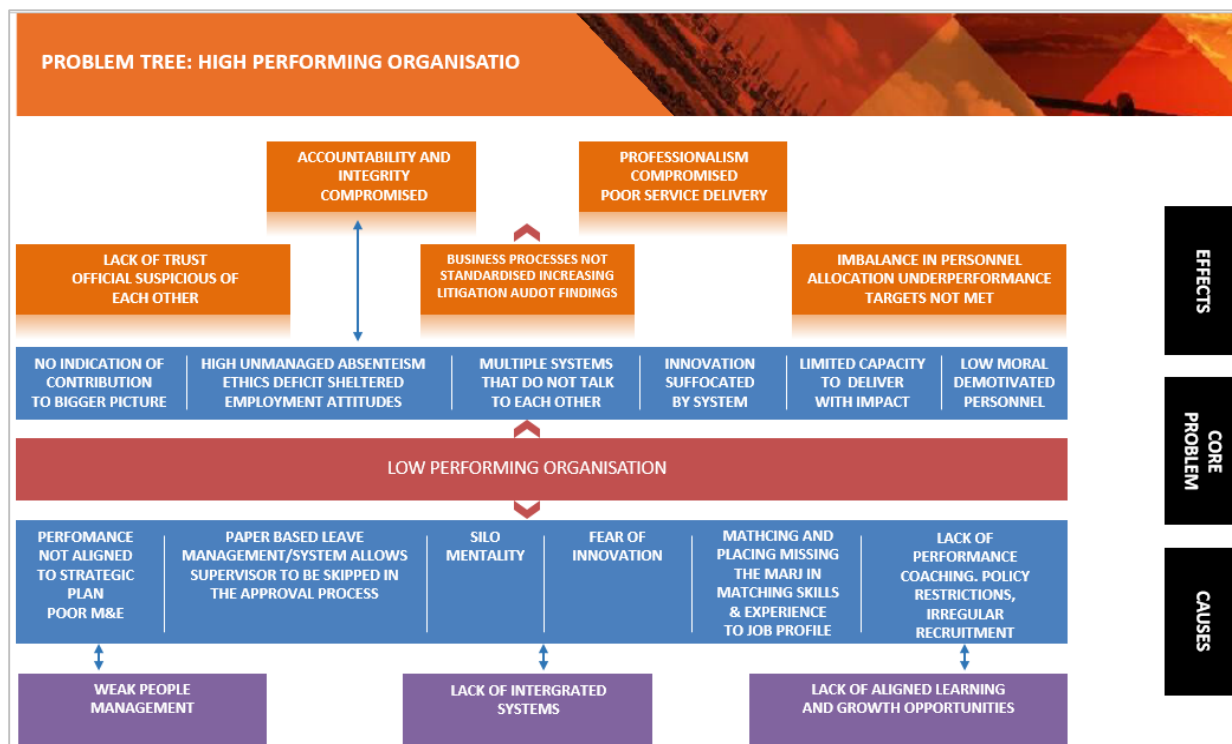
The basis for this choice of thematic area was centred on the supposition that the DPWI's morale is low, the capacity to deliver is weak, the knowledge levels poor and as it stands, DPWI, is not capable of professional and effective service delivery. The Problem Tree was decided as an analytic methodology, to examine the causes and effects thereof. The result to be achieved under a high performing organisation was to have a culture where all wants to work, thrive and achieve, in other words a high performing organisation. The identified core problem of the organisation not achieving is driven by overall low performance and productivity. The identified problems can be diagrammatically illustrated in a problem-tree as indicated in Figure B 35.

¹⁷ There is no standard definition of **infrastructure** across economic studies and this makes it difficult to develop one for the uniform global policies in this field. However, within a South African context, the current legally accepted definition is: '*infrastructure*' means installations, structures, facilities, systems, services or processes relating to the matters specified in Schedule 1¹⁷ and which are part of the national infrastructure plan - **Infrastructure Development Act**, 2014 Act No. 23 of 2014.

¹⁸ The new Infrastructure coordination role for the DPWI emanated from State of the Nation Address (June 2019) where:

- The migration of the public infrastructure coordination role was moved from the erstwhile Economic Development Department (EDD) to the newly configured Department of Public Works and Infrastructure (DPWI).
- The Infrastructure Development Management System (IDMS) function was also moved from National Treasury to the DPWI as well as the PICC to be incorporated within the DPWI. The name DPW was subsequently changed to DPWI.

Figure B 35: Problem Tree – for the Support Services within the DPWI



From the above assessment, the **core problem** that needed to be analysed is the Low Performance Level within DPWI, which is impacting on its image, reputation and ultimately service delivery to User Departments as Clients and the citizens they serve as the ultimate user of facilities to access public services. Table B 13 provides detail on causes, effects, and interventions related to the problem tree for Theme 1.

Table B 13: Causes, effects and interventions related to the problem tree related to DPWI support services

Causes – Theme 1	
Performance agreements and activity plans are not aligned to the strategic intent and direction of the organisation	Firstly, proper strategic cascading was not part of the organisational business model and performance agreements and activity plans are developed outside the organisational strategic plan resulting the collective efforts of the employees failing to contribute to the overall achievement/attainment of the organisational outcomes and impact. With this, the strategic intent was not driven that people can align and contribute meaningfully to such broader government-wide planning and implementation system.
Absenteeism	Secondly, high levels of absenteeism that is not managed and affects the productivity of the organisation, leading to a culture of low-discipline in all mandatory duties where “nobody acts therefore we do not need to perform”.
The organisation is plagued by a silo mentality culture, with	Thirdly, there is an attempt to introduce technology to effect efficiency in the operations, these continue to be done within the silo mentality culture undermining integration. The fear for change is embedded

<p>each unit focusing on its area of operations and not to collaborate in areas across boundaries in the interest of common good.</p>	<p>and impedes new ideas and innovation. This not only impacts on the use of new technologies, but also on any new ideas, systems and people processes introduced.</p> <p>For example, the use of paper-based leave system combined with undermining of reporting lines, results in high unmanaged absenteeism, ethics deficit and ultimately sheltered employment attitudes entrenched.</p> <p>The silo approach/mentality has resulted in multiple systems not to be integrated, instead of improving the overall performance as well as increasing duplication of efforts where there are resource constraints.</p>
<p>Investment in and management of employees as the Human Capital of the organisation, is critical for a high performing organisation.</p>	<p>Fourthly, evidence of this is the lack of performance coaching to support personnel with career pathing. In addition policy restrictions limit progression of specialists within the organisation, unintentionally incentivising flight of skills to the private sector.</p>
<p>Another element identified that tampers with the growth opportunities and motivation of employees, is the inconsistent recruitment of personnel failing to meet the talent needs of the organisation.</p>	<p>Fifthly, this situation leads to misplaced skills/talent within the organisation. Matching and placing misses the mark in matching skills and experience to job profile, so there are positions filled by personnel that lack requisite experience and skills to fulfil the job requirements.</p>
<p>Effects – Theme 1</p>	
<p>The lack of synergy and team implementation has contributed to the lack of trust, consolidation and co-operation and lead officials to be highly suspicious of each other.</p>	<p>With organisational objectives and targets not cascaded to performance agreements and activity plans, there is no indication of contribution, at an individual level, to the bigger picture. This is not only applicable to individuals, but has influence on overall team collaboration in achieving the stated outcomes. Cascading has not taken place, resulting in the strategic intent of the organisation not been developed in a matrix team development business model.</p>
<p>Overall, the silo culture leads to litigations with audit findings.</p>	<p>The silo culture led to people resistance that contributed systems and processes not to be supported. Business processes were not standardised that contributed litigations and audit findings. The people resisted change where innovation is suffocated. In itself working against the value of innovation and creativity, even though it be one of the values of the organisation.</p>
<p>Questionable personnel recruitment and management</p>	<p>Coupled with the above effects it led to few people overloaded in what they need to do and others to understand the level of delivery</p>

<p>practices have resulted in low capacity to deliver.</p>	<p>required to implement services. Leaving the organisation low in efficiency and productivity.</p> <p>Overall the Department cannot deliver on its targets whereby the accountability and integrity of the organisation is compromised. Professionalism is conceded where more services were outsourced.</p> <p>Norms, standards and specifications for delivery of infrastructure and accommodation are defined and contemporary. However, the associated challenges that affect deliver of service to the client include, among others:</p> <ul style="list-style-type: none"> • Incomplete and unsigned U-AMPs by clients. • Inadequate delivery of services to user departments and key clients. • Increase in litigation with non-performing service providers
<p>Interventions – Theme 1</p>	
<p>Align Activities and Resources to Contribute to National Priorities - Vision 2030 and DPWI outcomes</p>	<p>Achievement of a Resilient DPWI, requires strategic alignment between the strategy-led activities and resources that will enable the Department to direct its contribution to national priorities leading to the realisation of vision 2030.</p> <p>Align personal performance to the strategic direction of the organisation, committed to a common purpose and vision that contributes to national government priorities of a Capable, Ethical and Developmental State. Develop teams in working together in the attainment of the developed outcomes.</p> <p>Set clear indicators and targets for organisational performance and cascade accountability against these to effect performance recognition, learning and development that in turn will improve staff morale, motivation and commitment.</p>
<p>Resource and Technology Capacity to support Strategic Delivery</p>	<p>In line with the thematic analysis of a High Performing Organisation and its precondition, i.e. A Resilient, Ethical and Capable DPWI, it is demonstrable that Human Resources play a pivotal role in ensuring that the Department of Public Works and Infrastructure is adequately resourced with the proper skills and efficient capacity to develop, implement and manage systems and processes.</p> <p>Targeted investment in systems and processes is urgently required to support the fourth revolution requirement and to ensure the application in the built and asset planning and management environment. Organisational skill needs must first be met to advance rapid delivery and long-term impacts, addressing skills gaps to meet the organisation's talent needs to:</p> <ul style="list-style-type: none"> • promote business man acumen, with positive attitudes inculcated, collaboration and cooperation fostered • Ensure change is wired into the delivery of systems, processes and procedures for internal and external proficiency.

	<ul style="list-style-type: none"> • With improved IT infrastructure and a new appetite for efficiency through adoption of relevant technology
<p>Accountability and Ethical Drive to Deliver Services and Projects</p>	<p>Strengthened accountability including consequence management across the organisation, and capacity to deliver services/projects efficiently and effectively supporting the vision for the Department to deliver dignified client experiences. In this state, the organisation:</p> <ul style="list-style-type: none"> • Promotes and recognises ethical behaviour and supported by improved responsive communication. • Has transparent management with strengthened and committed leadership.

Theme 2: Integrated Planning and Implementation

The basis for this choice of thematic area was centred on the situation that the DPWI has not achieved the turnaround sustainability model, has not improved on the asset life cycle management implementation programme and strategies and has not met the condition of assets up to a certain standard level. Once more, as with the first theme, it was identified the planning and implementation branches does not work in cohesion. Hence the selection of what the root cause for integrated planning and implementation could be.

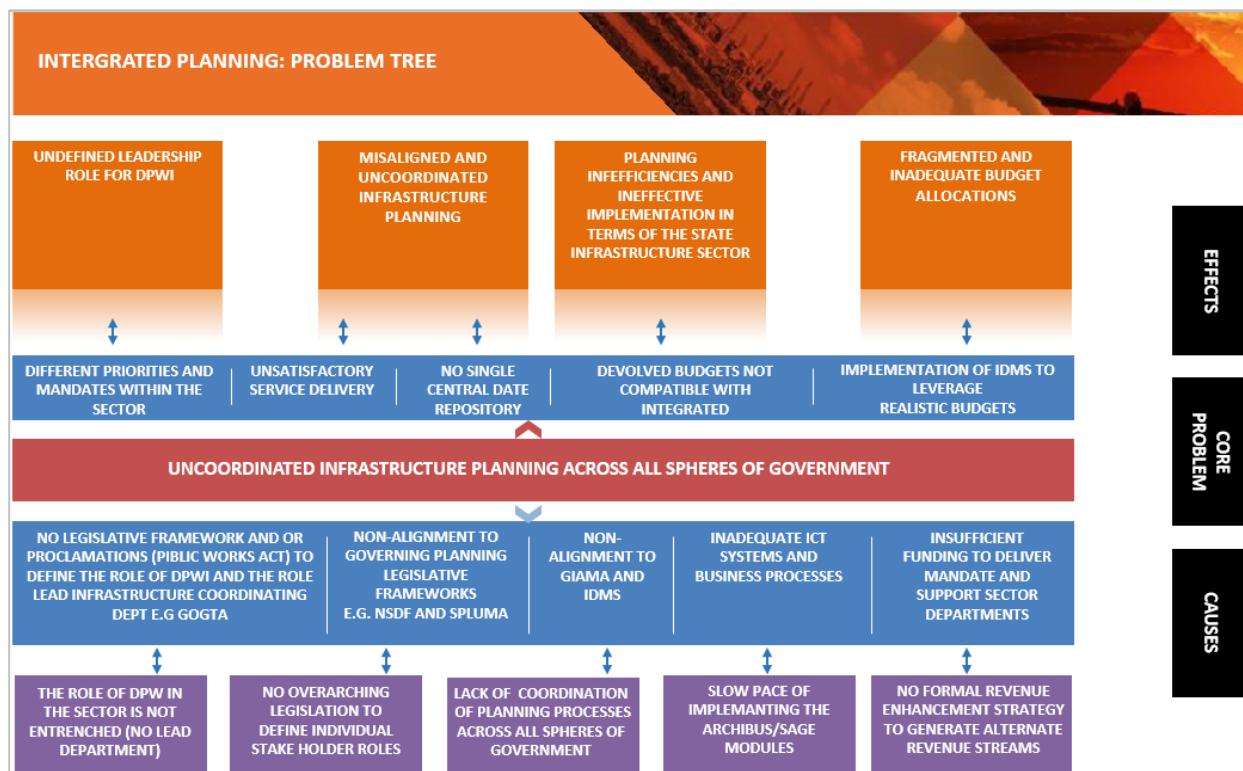
For this specific theme area, it was stated that the assets need to be working for government, client and citizen as an end result. After which the core problem of fragmented integrated planning and implementation was identified.¹⁹ “Uncoordinated infrastructure planning across all spheres of government compounded by limited allocation and control of requisite funding” that was amended to

“Un-coordinated DPWI asset planning and implementation”

It was therefore necessary to explore the fundamental causes and effects that emanated from the current state of operations and how that can be developed into the strategic outcomes that the DPWI can address these issues in terms of short-, medium- and long-term interventions and effective integrated planning. The problem-tree related specifically to the planning and implementation of programmes is presented in Figure B 36.

¹⁹ This group did not deal with the new infrastructure investment mandate.

Figure B 36: Problem Tree – for the Planning and Implementation of the DPWI



The question of integrated planning is well articulated, but attaining the desired result requires a coordinated effort from all programmes and participating stakeholders who may or not be motivated through individual value drivers and dissimilar priorities resulting in a miss-aligned and fragmented planning scenario.²⁰ Causes, effects and interventions are presented in Table B 14.

Table B 14: Cause, effect and implications related to planning and implementation – Theme 2

Causes Theme 2	
Stakeholder Regulatory Role Identification and Co-ordination	There should be necessary legislative and regulatory frameworks to guide integrated planning within the sector and must be supported and approved at a particular hierarchical structure (political and administrative) level. At this stage the roles are not clearly defined and no entity does take lead in the Sector Department relationships. The same applies to the regulatory frameworks to support the facilitation of roles i.e. GIAMA and SPLUMA. Ineffective Inter-governmental Relations (IGR) at a municipal administrative and political level that drives different priorities by different role-players within the Sector implicates service delivery. Regulatory and legislative affects stakeholder roles that DPWI cannot take up its rightful Sector role. Specifically, the following was mentioned:

²⁰ Integrated Planning was defined as a process where DPWI facilitate a shared understanding and aligned asset life cycle management and development spending with all participating at relevant level and stakeholders (internal and external).

		<ul style="list-style-type: none"> No legislative framework and or proclamations (Public Works and Infrastructure Act), to define the role of DPWI and the role of DPWI in oversight and coordination of infrastructure development investment. Non-alignment of governing planning legislative framework e.g. NASDF and SPLUMA. Non-alignment of GIAMA and IDMS.
Technology, Processes and Systems		Incomplete implementation of Information Technology (IT) planning and monitoring system modules is contributing to un-coordinated implementation. Integrated planning and asset management implementation need to have sound business processes and systems. Business processes are outdated and not aligned.
Insufficient Funding and Prioritisation		<p>Requisite funding is not made available to support the programmes and capital needs of the infrastructure plans. Fragmented Budget allocations lead to ineffective service delivery and the revenue user charges model implicates less funding for productive assets management. Generating alternate revenue streams is dependent on organisational changes. The following statement was re-confirmed:</p> <p>"The budget devolution has resulted in a dysfunctional separation wherein the Department remains with custodianship of the assets whilst having lost the financial control which now rests with the User Departments"</p>
Effects		
DPWI Leadership Role		Undefined leadership role for DPWI as a result of different priorities and mandates within the Sector leads to misaligned and uncoordinated infrastructure planning resulting in unsatisfactory service delivery.
Wasteful Expenditure		No single central data repository leads to planning inefficiencies and ineffective implementation in terms of the state infrastructure sector. Plans are mis-aligned and leads to wasteful expenditure.
Unfunded Mandates		Fragmented and inadequate budget allocations emanating from the allocation of devolved budgets not compatible with integrated planning has led that infrastructure investment and asset management is not used as triplicating growth multiplier.
Interventions		
Technology		Centralised Information Communication and Technology (ICT) system is urgently needed to create a single data repository/ portal for data sharing and informed decision making that a five-year inclusive plan for comprehensive integrated DPWI and sector planning can be initiated, also for budget purposes.
Stakeholder ordination	Co-	Leverage MINMEC to play a more involved role in enforcing integrated planning across all sectors and establish mechanisms to enable the sectors to participate at Local Government planning processes (Integrated Development Planning (IDP)).

Regulatory Environment	Review of existing regulations and legislation to align to current needs that DPWI is enabled to have a say on infrastructure budget setting with Client. Complete the process of Drafting Public Work and Infrastructure Bill and other relevant legislation to redefine the role of DPWI. Further, develop and approve the Regulations for the Infrastructure Development Act, No 23 of 2014.
Funding Model	The development of a comprehensive funding model to ensure assets is maintained and refurbished in good condition is urgently required. To consolidate a Sector infrastructure budget plan for presentation to National Treasury is obligatory leading to efficient and effective service implementation.

Theme 3: Infrastructure Investment Coordination

The basis for this choice of thematic area was centred on the infrastructure mandate given to the DPWI that will change the DPWI role to give effect to the Infrastructure Development Act.²¹ The aim of the Act is to:

- Establish the PICC Structures that will ensure the approval and management of the National Infrastructure Plan 2060 and related strategic infrastructure projects (SIPs), as well as the unblocking of SIPs.
- Further the management and oversight of the Infrastructure Fund;
- To provide for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic;
- To ensure that infrastructure development in the Republic is given priority in planning, approval and implementation;
- To ensure that the development goals of the state are promoted through infrastructure development;
- To improve the management of such infrastructure during all life-cycle phases, including planning, approval, implementation and operations; and to provide for matters incidental thereto.

This theme contributes directly to the first Sixth Administration priority.²²

²¹ Infrastructure Development Act, 2014, Act No. 23 of 2014 (June 2014).

²² South African definition and colloquial discourse also includes social and economic infrastructure. According to Hansen, N. M. (1965). "The structure and determinants of local public investment expenditures." Review of economics and statistics 2: 150-162 infrastructure comprises the following:

- **Economic infrastructures** directly support productive activities; they are: roads, highways, airports, naval transport, sewer networks, aqueducts, networks for water distribution, gas networks, electricity networks, irrigation plant and structures dedicated to the commodities transfer.
- **Social infrastructures**: established to increase the social comfort and to act on the economic productivity; they are: schools, structures for public safety, council flat (not referable to expenses of economic nature), plant of waste disposal, hospitals, sport structures, green areas, and so on.

The result areas should include and amongst other the following, that the:

- Rate of economic growth is increased in an inclusive and sustainable way;
- Environmental quality is improved and co2 emissions are reduced and resilience of communities is increased;
- Urban mobility in communities is improved; and
- Infrastructure is managed in a more sustainable way.

The Problem Tree analytic method then systematically had to analyse what the core problem is that government-wide infrastructure does not achieve the intended result. It was decided that fragmented planning is at the core problematic area for government-wide sustainable infrastructure investment. The identified problems can be diagrammatically illustrated, as per Figure B 37 as follows:

Figure B 37: Problem Tree - Infrastructure Investment Coordination

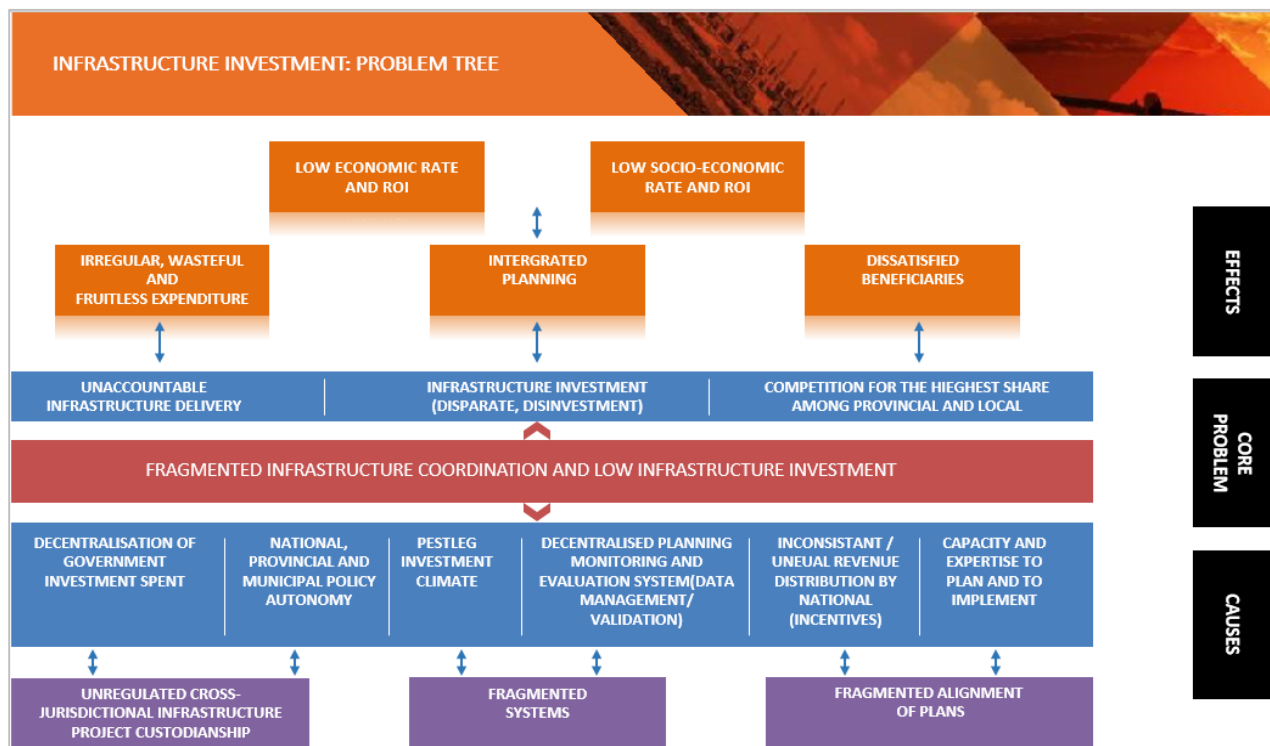


Table B15 provides detail on the causes, effects and interventions related to infrastructure investment coordination as per the problem tree depicted above.

Table B 15: Causes, effects and interventions related to infrastructure investment coordination

Causes	
Cross Jurisdictional Custodianship	Decentralisation of government investment spend and the District Delivery Model as yet not fully functional that in turn leads to disparate investment with national and provincial priorities and legislative autonomy competing with each other. This lead to unregulated cross jurisdictional infrastructure project custodianship.
Fragmented Systems	<p>The fragmented South African political, economic, social, technological, legislative and environmental systems at a macro level attribute to disinvestment as opposed to investment, working against the fundamental principle of government infrastructure investment to support economic growth as the intended result.</p> <p>Decentralised infrastructure planning, management, monitoring and evaluation of infrastructure on a micro level contributes to un-coordinated and sub-standard investment that also works against economic growth and social inclusion as the ultimate aim for monies to be invested. Norms and standards are also negated in the absence of good digitised systems to support infrastructure implementation.</p>
Fragmented Planning	Disparate planning processes between national, provincial and local government lead to unequal distribution of funding for implementation that impacts decentralised stimulated growth. All planners at national, provincial and local does not have the capacity and capability to plan for the ultimate intended result. Stakeholder management also becomes increasingly difficult and leads to ad hoc planning to please local demand as opposed to sufficient rational why certain development needs to take place where it should.
Effects	
Wasteful Expenditure	Un-coordinated infrastructure planning, processes and inadequate aligned systems contributes to irregular, wasteful and fruitless expenditure that do not achieve the intended result. Custodianship is dispersed and accountability is compromised. Leading to low return on investment and economic growth.
Integrated Spatial Planning	The intent of spatial justice and associated principles such as mobility and accessibility are compromised through fragmented planning.
Dissatisfied Clients and Citizens	Competition between the different spheres of government especially Provincial and Local government leads to citizens dissatisfied with the services and investment into localised areas. The intended spatial justice with socio-result not achieved.
Interventions	
The following interventions were identified to address the core problems:	<ul style="list-style-type: none"> • Research best practices and lessons learnt on infrastructure coordination (developed and developing country). • Integrated Spatial Planning and Prioritisation Funding Model for Infrastructure. • Conditional Infrastructure Grants disbursement (ring-fenced/policy funding).

	<ul style="list-style-type: none"> • A Project Performance and Monitoring System that relates to the entire infrastructure and project lifecycle (Investment in Construction-related Technology). • International and national best practice and lessons learnt to be introduced back into the value chain so as to enable the infrastructure paradigm in South Africa to continually improve. • Provision of investment incentives, including but not limited to Public Private Partnership, Special Purpose Vehicles and/or Build-Operate-Transfer Solutions Reduce and/or streamline regulation and procedural constraints so as to improve ease of doing business.
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The problem trees for all three theme areas were overturned into solution trees that paved the way for the DPWI’s strategic outcome development.²³

7.6 Stakeholder Analysis

DPWI has analysed its outcomes and identified the key role-players or stakeholders that will impact the implementation of these outcomes. In terms of the requirements, interest and power to influence, Table B 16 depicts them as follows:

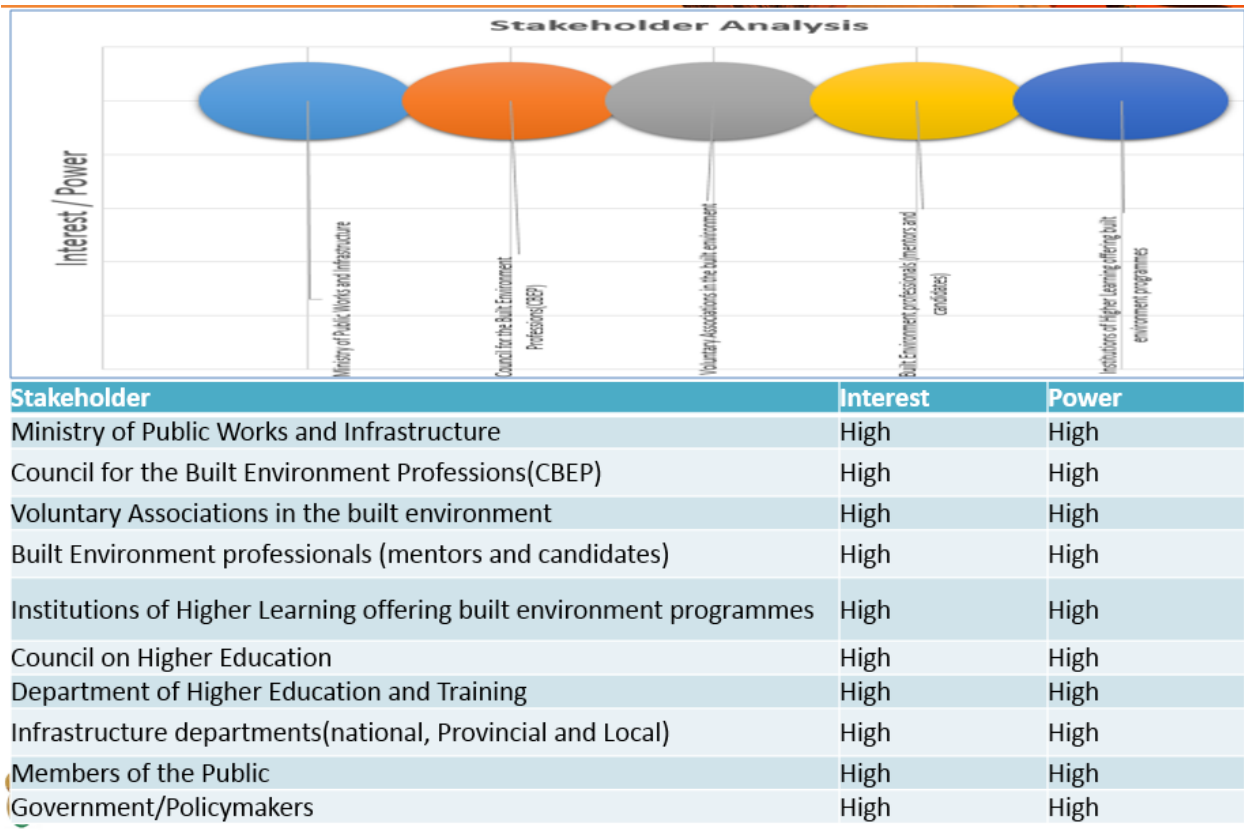
Table B 16: External Stakeholder Analysis

EXTERNAL STAKEHOLDER ANALYSIS			
STAKEHOLDER	REQUIREMENT	INTEREST	POWER
User Departments	Functionally efficient accommodation.	High (DPWI is the sole service provider)	High (Increasingly looking at other options to DPWI)
National Sector Departments and their Entities	Strategic alignment and integration.	High	High
	Statutory compliance.	High	High
	Land / property acquisition and / or disposal.	High	High
Provincial Public Works Departments	Statutory compliance.	High	High
	Land / property acquisition and / or disposal.	High	High
Local Authorities	Statutory compliance.	High	High
	Land / property acquisition and / or disposal.	High	High
Communities	Functional service delivery.	High	High
Professional Bodies	Statutory compliance.	High	High

For the CBE, the following stakeholders, as per Figure B 38 were identified:

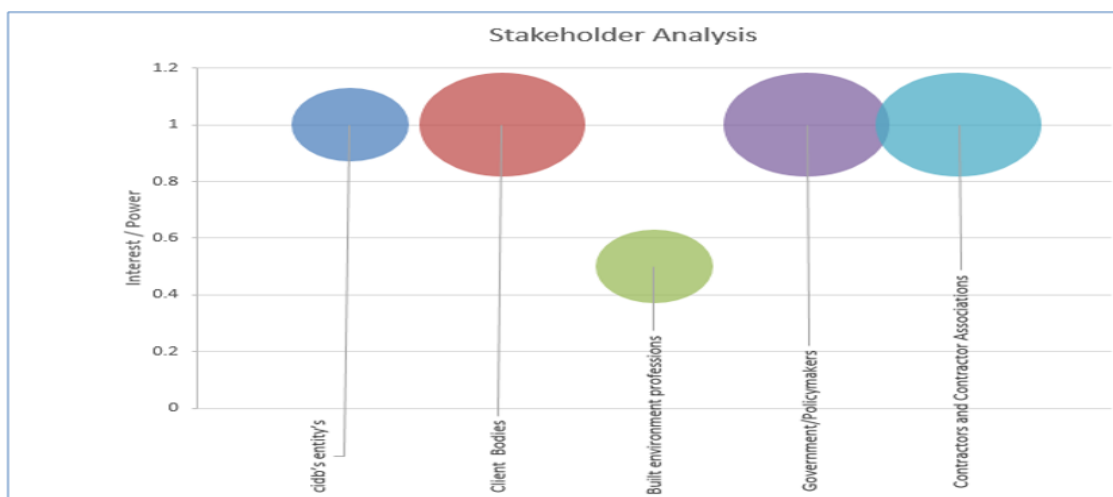
²³ Please refer to Part C for more information.

Figure B 38: CBE Stakeholder Analysis



The cidb identified the following stakeholders that has influence also on the DPWI as per Figure B 39.

Figure B 39: cidb Identified Stakeholders



Stakeholder	Interest	Power
cidb's entity's	HIGH	Medium
Client Bodies	High	High
Built environment professions	Medium	Medium
Government/Policy makers	High	High
Contractors and Contractor Associations	High	High

Linked to the above figure B 39, the following stakeholders were identified against each outcome for the DPWI as presented in Table B17.

Table B 17: Outcome-specific Stakeholder Analysis

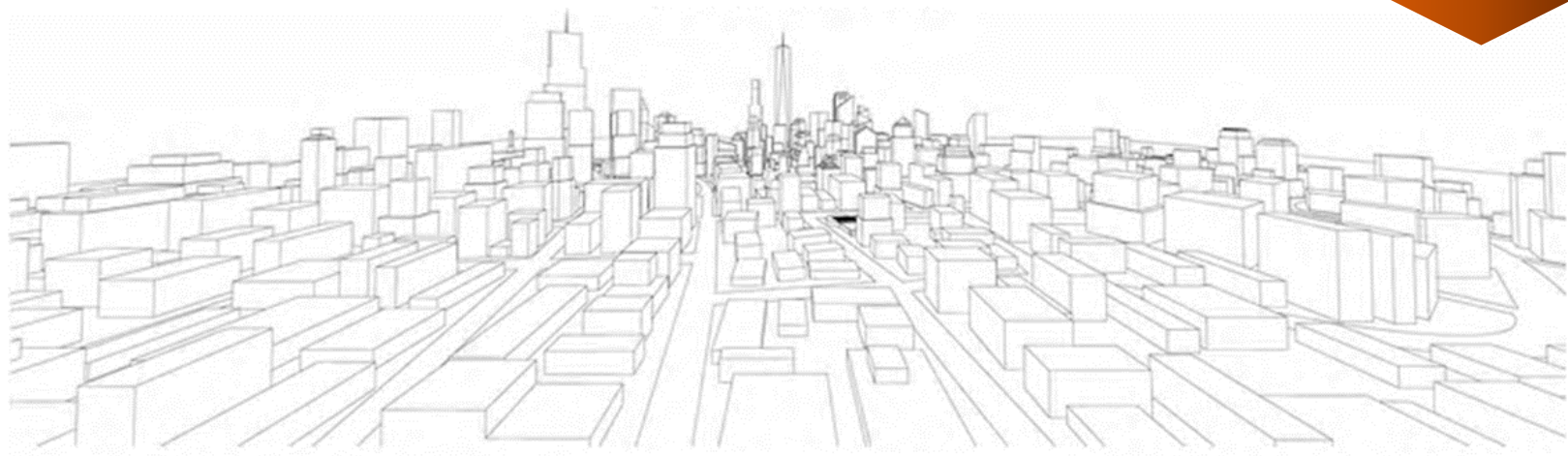
DPWI OUTCOME	STATE OWNED COMPANIES AND PUBLIC ENTITIES	PARTNERSHIPS / INVESTMENT BY OTHERS
Integrated Planning and Coordination		<ul style="list-style-type: none"> DALRRD, DHSWS/HAD Municipalities, Provinces, Sector Departments
Productive Assets	<ul style="list-style-type: none"> DIRCO, DEFF, COGTA, SALGA, Coastal 	<ul style="list-style-type: none"> Provincial Departments of DPWI, Municipalities, National Treasury, DPWI, DIRCO, DEFF, COGTA, SALGA, Cape Nature, SAIMI
Sustainable Infrastructure Investment	<ul style="list-style-type: none"> Development Agencies (Wesgro, ECDC, NCEDA & TIKZN) Transnet, Telkom Department of Public Works and Infrastructure (DPWI) Client Departments DTI, DBSA, DPWI Agrément SA Green Building Council of South Africa (GBCSA) National Treasury's Government Technical Advisory Council (GTAC); 	<ul style="list-style-type: none"> Coastal Provincial Government Departments, Coastal Municipalities DOJ, DCS, DBE, DSD, DACS Provincial Departments of Education (DoE) Built Environment Professions Export Council (BEPEC). The CIDB has facilitated the inclusion of contractors as a BEPEC export category. Department of Environmental Affairs

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DPWI OUTCOME	STATE OWNED COMPANIES AND PUBLIC ENTITIES	PARTNERSHIPS / INVESTMENT BY OTHERS
	<ul style="list-style-type: none"> • South African National Energy Development Institute (SANEDI). • COEGA Development Corporation (CDC) 	<ul style="list-style-type: none"> • Department of Energy, Department of Trade and Industry, Department of Science & Technology (DST)
Optimised Job Opportunities	<ul style="list-style-type: none"> • Department of Public Works and Infrastructure (DPWI) • Client departments • National Youth Development Agency (NYDA) • National Treasury • Client Departments • CIDB • COEGA Development Corporation (CDC) • SAMSA • DEFF, Department of Tourism, DED, SAMSA, NT, SEDA, SEFA, IDC • SANRAL, Eskom • All Industrial Development Zones (IDZs) • All Special Economic Zones (SEZs) 	<ul style="list-style-type: none"> • DPWI, DOJ, DCS, DBE, DSD • DACS, DOT, Tourism, DSBD • Provincial Departments of Education (DoE), Provincial DPWI • Other client departments • NPOs implementing EPWP-NSS • International Labour Organisation (ILO) • Non-Profit Organisations • Department of Higher Education and Training • Sector Education and Training Authorities (SETAs) • National Treasury • Department Small Business Development • DTI (subsidies), Department Small Business Development and funding agencies • Lessors • SEDA (SEDA Construction Incubator), Contractor Associations
Transformed Built Environment	<ul style="list-style-type: none"> • DPWI, Client Departments • DTI, DPWI, • SANRAL, Eskom, Other infrastructure clients • Small Enterprise Finance Agency (SEFA) • Small Enterprise Development Agency (SEDA), • IDC, DTI, NT • All Industrial Development Zones (IDZs) • All Special Economic Zones (SEZs) • DBSA, IDC, NT, CIDB, ASA • COEGA Development Corporation (CDC) • South African International Maritime Institute (SAIMI) • CBE, Property and Construction Sector Charter Councils, BEPCs 	<ul style="list-style-type: none"> • DPWI, DOJ, DCS, DBE, DSD, DACS, Provincial Departments of Education (DoE), SETAs, Quality Council for Trade Occupations (QCTO), National School of Government, Public Sector Academies, Provincial DPWI, Other client departments, National Treasury • SEDA (SEDA Construction Incubator), Contractor Associations, Private Sector • Small Enterprise Finance Agency (SEFA), Small Enterprise Development Agency (SEDA) • IDC, DTI, DHET, MISA, DPWI, DEFF, DSBD, COGTA, YES, SEFA, DPWI, DEFF, DOT, Tourism, DSBD, NSF, HEIs, Science and Technology • Coastal Provincial Government Departments, Coastal Municipalities

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DPWI OUTCOME	STATE OWNED COMPANIES AND PUBLIC ENTITIES	PARTNERSHIPS / INVESTMENT BY OTHERS
	<ul style="list-style-type: none"> • SAFMA 	<ul style="list-style-type: none"> • Provincial Development Agencies • DTI (subsidiaries), Department Small Business Development and funding agencies • SALGA and all infrastructure department • Voluntary Associations (VAs) • Institute of Real Estate Management (IREM) • South African International Maritime Institute (SAIMI) • International Institutions in the Built Environment
Dignified Client Experience	<ul style="list-style-type: none"> • DPWI • Client Departments 	<ul style="list-style-type: none"> • DPWI, DOJ, DCS, DBE, DSD, DACS, NT, DOL • Provincial Departments of Education (DoE) • Provincial DPWI • Other Client Departments
A Resilient, Ethical and Capable DPWI	<ul style="list-style-type: none"> • All four (4) DPWI Public Entities including Entities of Provincial Departments. • All affected infrastructure SOEs including DPWI entities 	<ul style="list-style-type: none"> • PSC monitoring the National Anti-corruption Hotline • Presidency for SIU Proclamations (by the President) and Service Providers • DPCI, SAPS, NICOC, DPSA, National Treasury, Provincial Public Works Departments, SALGA, Sector Entities, DTI



Annual Performance Plan 2020/2021

Part C

Part C: Measuring Our Performance

8. Institutional Programme Indicators per Outcome

See part 6 below for detail on Programme Indicators per Outcome.

9. Institutional Programme Performance Information

Following is information on Budget Programmes and Sub-programmes.

Programme: DPWI Administration

Purpose	Provide strategic leadership management and support services to the Department.
Description	To re-invent the organisation to be agile, ethical, compliant and employer of choice through improving efficiencies and use of technologies / systems.

SUB-PROGRAMMES

This Programme is constituted by the following four Sub-programmes:

1.1 Management	Responsible for ensuring an integrated, holistic approach to department-wide governance in accordance with its risk appetite, internal practices and external regulations, through the alignment of strategy, processes, technology and people, thereby improving efficiency and effectiveness.
1.2 Finance and Supply Chain Management	The mandate of Finance and SCM is to provide financial efficiency and effectiveness and a responsive SCM service to support the Department's business requirements. In delivering this mandate, the Branch performs the functions of financial management, SCM, moveable asset management, provisioning of goods and services for the Department and ensuring compliance with internal controls.
1.3 Corporate Services	Corporate Services is key in spearheading delivery of the core business through strategic support services such as Information Communications Technology, Communications and Marketing, Human Resources, Security and Physical Risk Management, International Relations, Legal Services and Diversity Management.
1.4 Governance, Risk and Compliance	Governance, Risk and Compliance (GRC) entails the integration of all governance, risk assessment and mitigation, compliance

and control activities to operate in synergy. As articulated in the Policy Statement of the Minister of Public Works, the GRC Branch will drive Service Delivery Improvement as one of the key drivers of the Turnaround Strategy process.

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with the Strategic Outcome namely, **A Resilient, Ethical and Capable DPWI** and its respective Sub Outcomes.

The key role of the Programme is aligning people to processes and systems to drive organisational performance and therefore create an inculcated culture conducive to an effective and efficient working environment which delivers ethically in a developmental state.

The programme will strive to change the corporate culture, re-align management and leadership so that the strategic direction and focus can be embraced. Through aligned strategy, systems, processes and people, the DPWI can become efficient, effective and economical to improve a well governed institutional organisation with excellent reputation and image for the materialisation of the transformational agenda.

With respect to the sub-outcomes the following strategies will be implemented:

- **Effective Governance:** This will be realised through continual monitoring of the fraud risk index,
- **Empowered Human Capital:** The Programme will concentrate efforts with respect to increasing staff motivation and empowering capabilities, increasing staff performance through the roll-out of the employee performance management and reward system, up-skilling and reskilling to make DPWI not only resilient, but employer of choice.
- **Agile Technology and System:** The Programme will utilise agile, up to date technology and fully utilising legacy systems to improve organisational performance and compare with the best in the industry.
- **Accountable Performance:** Performance based budgeting and accountability towards the achievement of departmental outcomes, in compliance with applicable prescripts, will result in sound financial performance.

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Outcomes, Outputs, Performance Indicators and Targets

Table C 1: Programme (DPWI Administration) – Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Targets						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
A Resilient, Ethical and Capable DPWI	Good Governance	1.1 Ethics and Fraud Perception Rating	N/A	N/A	N/A	New Indicator	(41-60%) Ethics and fraud perception rating	(61-80%) Ethics and fraud perception rating	(61-80%) Ethics and fraud perception rating
	Good Governance	1.2 Compliance Rate	N/A	N/A	N/A	New Indicator	(41-60%) Average level of Compliance	(61-80%) Good level of Compliance	(81-100%) Excellent level of Compliance
	Performance Measurement	1.3 Percentage Performance Information Level	60.6%	52.5%	55.5%	60%	61%-80%	81-100%	81-100%
	Spend of the allocated budget	1.4 Percentage Financial Performance Level	98.3%	99.2%	99.5%	100%	100%	100%	100%
	Vacancy Rate	1.5 Percentage Vacancy Rate	16.03%	13.10%	8.1%	13%	12%	11%	10%
	Designated groups Empowerment and opportunity	1.6 Designated groups in SMS level in the Department (Women and PWD)	N/A	N/A	N/A	New Indicator	Women: 40% PWD: 2%	Women: 40% PWD: 2%	Women: 40% PWD: 2%
	CT architecture to enable modernisation of systems	1.7 Percentage Business Process Automation	N/A	N/A	N/A	New Indicator	100%	N/A	N/A
	ICT architecture to enable modernisation of systems	1.8 Number of business solutions for digitisation	New Indicator	New Indicator	New Indicator	New Indicator	1	1	1

Indicators, Annual and Quarterly Targets

Table C 2: Programme (DPWI Administration) - Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
1.1. Ethics and Fraud Perception Rating	Average rating	N/A	N/A	N/A	41-60% Ethics and fraud perception rating
1.2 Compliance Rate	(41-60%) Average level of Compliance	N/A	N/A	N/A	41-60% Average level of Compliance
1.3 Percentage Performance Information Level	61%-80%	61%-80%	61%-80%	61%-80%	61%-80%
1.4 Percentage Financial Performance Level	100%	27%	53%	87%	100%
1.5 Percentage Vacancy Rate	12%	12%	12%	12%	12%
1.6 Designated groups in SMS level in the Department (Women and PWD)	Women: 40% PWD: 2%	Women: 40% PWD: 2%	Women: 40% PWD: 2%	Women: 40% PWD: 2%	Women: 40% PWD: 2%
1.7 Percentage Business Process Automation	100%	N/A	N/A	N/A	100%
1.8 Number of business solutions for digitisation	1	N/A	N/A	N/A	1

Programme: Intergovernmental Coordination

Purpose	Provide sound sectoral intergovernmental relations and strategic partnerships.
Description	Coordinate with Provinces on immovable asset register, construction and property management, the implementation of Government Immovable Asset Management Act (2007) and the reporting on performance information within the public works.

SUB-PROGRAMMES:

This Programme is constituted by the following two Sub-programme and four entities:

2.1 Intergovernmental Relations and Co-ordination Public Entities under NDPWI	Intergovernmental Co-ordination is a means for arranging the distinctive effort, capacity, leadership and resources of each sphere and directing these as effectively as possible towards the developmental and service delivery objectives of Government. The public works function is a shared competency between the National and Provincial Governments in accordance with Schedule 4 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). The National Department of Public Works is responsible for policy formulation, determining regulatory frameworks including setting norms and standards, and overseeing the implementation of these concurrent functions while the Provincial Department's functions are largely that of implementation within the National Framework.
2.2 Professional Services	The core function of Professional Services Branch (PSB) is to build capacity for the state and oversee, coordinate, guide and advise on successful of capacity building programmes /initiatives towards contribution of transformation objectives in the built environment PSB will coordinate and manage the supply of built environment skills to support the state infrastructure delivery.

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with the following Strategic Outcomes namely, **Integrated Planning and Co-ordination, Transformed Built Environment, Dignified Client Experience, A Resilient, Ethical and Capable DPWI** and their respective Sub-Outcomes.

To build State capacity in the Built Environment and Property Management sectors to restore the skills pipeline in the built environment and meet the country's longer-term infrastructure delivery objectives by restoring or replacing the skills pipeline that provides the wide range of skills required within the built environment.

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Outcomes, Outputs, Performance Indicators and Targets

Table C 3: Programme (Intergovernmental Coordination – Professional Services) - Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Target						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
Integrated Planning and Co-ordination	National Infrastructure Plan	2.1 Number of infrastructure implementation plans Reviews	N/A	N/A	N/A	New Indicator	1	1	1
	Sector Performance	2.2 Sector Performance Reviews	N/A	N/A	1 performance review report for the sector Programme of Action presented to Technical MinMec	2 performance review reports for the sector Programme of Action presented to Technical MinMec	2	2	2
Transformed Built Environment	Reduced Built Environment Skills Gap	2.3 Number of Beneficiaries participating in the DPWI's skills Pipeline Intervention Programmes	1 680	1 202	1 212	1 395	1 257	1 340	1 178
	Reduced Built Environment Skills Gap	2.4 Percentage of Implementation of the Provincial Department of Public Works Capacity Building Programmes aligned to the Skills Pipeline Strategy	N/A	N/A	N/A	50%	75%	100%	100%

Indicators, Annual and Quarterly Targets

Table C 4: Programme (Intergovernmental Coordination – Professional Services) - Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
2.1 Number of infrastructure implementation plans Reviews	1	N/A	N/A	N/A	1
2.2 Sector Performance Reviews	2	N/A	1	N/A	1
2.3 Number of Beneficiaries participating in the DPWI's skills Pipeline Intervention Programmes	1 257	N/A	N/A	N/A	1 257
2.4 Percentage of Implementation of the Provincial Department of Public Works Capacity Building Programmes aligned to the Skills Pipeline Strategy	75%	N/A	N/A	N/A	75%

Programme: Expanded Public Works Programme

Purpose	Coordinate the implementation of the expanded public works programme which aims to create work opportunities and provide training for unskilled, marginalised and unemployed people in South Africa.
Description	To provide work opportunities and income support to poor and unemployed people through the use of labour-intensive methods in the delivery of public and community assets and services, thereby contributing to development.

SUB-PROGRAMMES:

This Programme is constituted by the following Sub-programmes:

3.1 Monitoring and Evaluation	To monitor, evaluate and report on the implementation of the Expanded Public Works Programme (EPWP).
3.2 Operations	To support sector lead departments in the coordination of EPWP for successful implementation in the Infrastructure, Social and Environment and Culture Sectors. Mainstream implementation of EPWP in the Non-State sector through the Non-Profit Organisations programme
3.3 Partnership Support	Managing stakeholder relations, coordinating economic development through enterprise development and training initiatives.
3.4 Coordinating Commission	As the coordinator of the EPWP, the Department will ensure that Phase IV of the EPWP is effectively planned, mainstreamed and supported to enhance the EPWP delivery capacity at all spheres of Government. There will be improved communication to ensure a positive EPWP profile, expansion of EPWP into new areas, improvement in the reporting and data integrity and, most importantly, meaningful performance evaluations of the Programme. The Department will continue to provide technical support to Municipalities, training of officials in the use of labour-intensive methods in project implementation and will also provide data capturing support to Public Bodies, training officials on reporting processes and procedures and the improvement of the reporting system.

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with the Strategic Outcome namely, **Optimised Job Opportunities** and its respective Sub Outcomes,

The Programme derives its mandate from Chapter 3 of the National Development Plan (NDP) which envisages a significant up scaling of the EPWP through to 2030 as well as, Chapter 11 which locates the EPWP as a key contributor towards social protection through income transfer into poor households. The NDP emphasises: “The provision of WOs is one of the best forms of social protection”. This is in line with the EPWP’s current primary objective of providing work opportunities. The programme also contributes towards the priority of the Six Administration of Economic Transformation and Job Creation.

This Programme focuses on the restructuring of the Expanded Public Works Programme (EPWP) to optimise the creation of permanent work opportunities in the Department’s delivery and coordination of infrastructure at large thereby contributing towards poverty alleviation and the reduction of unemployment. The commitment is on creating 5 million employment opportunities in 5 years with specific focus on women, youth and persons with disabilities.

The Expanded Public Works Programme creates work opportunities through the use of labour-intensive methods across the different spheres of government as well as the creation and reporting of sustainable jobs through the operations of DPWI programmes that contributes towards the outcome of “Optimised Job Opportunities”.

Outcomes, Outputs, Performance Indicators and Targets

Table C 5: Programme (Expanded Public Works Programme) - Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Target									
			Audited/Actual Performance					Estimated Performance	MTEF Period			
			16/17	17/18	18/19	19/20	20/21	21/22	22/23			
Optimised Job Opportunities	Work Opportunities reported	3.1 Number of work opportunities reported in the EPWP-RS by public bodies	779 245 work opportunities	900 234 work opportunities	864 514 work opportunities	981 497 work opportunities	984,490 work opportunities	1 009 972 work opportunities	1 023 569 work opportunities			
		3.2 Percentage EPWP participation among designated groups (women, youth and persons with disabilities) reported on the EPWP-RS by public bodies	66% women 45% youth 2% PWD	66% women 44% youth 1% PWD	68% women 43% youth 1% PWD	60% women 55% youth 2% PWD	60% women 55% youth 2% PWD	60% women 55% youth 2% PWD	60% women 55% youth 2% PWD	60% women 55% youth 2% PWD		

Indicators, Annual and Quarterly Targets

Table C 6: Programme (Expanded Public Works Programme) - Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
3.1 Number of work opportunities reported in the EPWP-RS by public bodies	984 490	246 123	492 246	738 369	984 490
3.2 Percentage EPWP participation among designated groups (women, youth and persons with disabilities) reported on the EPWP RS by public bodies	60% Women 55% Youth 2% PWD	60% Women 55% Youth 2% PWD	60% Women 55% Youth 2% PWD	60% Women 55% Youth 2% PWD	60% Women 55% Youth 2% PWD

Programme: Property and Construction Industry Policy and Research

Purpose	Promote the growth and transformation of the construction and property industries. Promote a standardised approach and best practice in construction and immovable asset management in the public sector.
Description	Promotes growth and transformation of and competition in the property sector through research and the development of policies, legislation and best practices.

SUB-PROGRAMMES:

This Programme is constituted by the following Sub-programmes:

4.1 Construction Policy Development Programme	Regulates the construction sector and related professions; Monitors the impact of policies and legislation giving effect to the regulation and transformation of the construction sector; Promotes skills development in the construction sector; and Provides proactive policy responses to Government's national objectives.
4.2 Property Policy Development Programme	Regulates the property sector and related professions; Monitors the impact of policies and legislation giving effect to the regulation and transformation of the property sector; Promotes skills development in the property sectors; Develops and promotes best practice and uniformity in the management of State immovable assets throughout their lifecycle; and Provides proactive policy responses to Government's national objectives.
4.3 Infrastructure Development Coordination	Provides support to the Presidential Infrastructure Coordinating Commission in line with the Infrastructure Development Act (2014)

FUNCTIONS AND OUTCOME RELATION

This programme has synergies with the Strategic Outcome namely, **Transformed Built Environment, Productive Assets** and its respective Sub Outcomes.

The Programme is to promote the growth and transformation of the Construction and Property Industries. It also promotes a standardised approach and best practice in construction and immovable asset management in the public sector. This will be effected through the following strategies:

Reduced built environment skills gap

- Review Skills Pipeline document
- Review of legislation governing BEPs

Spatial Justice

- Finalise Expropriation Bill

Presidential Infrastructure Coordinating Commission (PICC)

- The enactment by the President to transfer the function of the PICC from the Minister of Economic Development to the Minister of Public Works and Infrastructure effective 01 April 2020 will engender and improve coordination and efficiency of government in implementing its mandate to grow the economy through inclusive integrated planning and investment. This function is now incorporated under this programme as a sub-programme, namely Infrastructure Development Coordination.

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2020/21

Outcomes, Outputs, Performance Indicators and Targets

Table C 7: Programme (Property and Construction Industry Policy and Research) - Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Target						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
Transformed Built Environment	Infrastructure Legislative Programme	4.1 Expropriation Bill introduced in Parliament	Expropriation Bill (B 4D-2015) Adopted by parliament	Expropriation Bill (B 4D-2015) referred back to Parliament	Expropriation Bill (B 4D-2015) referred back to Parliament	Draft Expropriation Bill submitted to Minister for parliamentary process	1	N/A	N/A
		4.2 Public Works General Laws and Repeal Bill Developed	N/A	N/A	N/A	New Indicator	1	N/A	N/A
Sustainable Infrastructure Investment	Cities refurbished as smart cities	4.3 Number of cities identified for redesign and refurbishment as smart cities	New Indicator	New Indicator	New Indicator	New Indicator	1 city refurbished	1 city refurbished	1 city refurbished
		4.4 Number of new cities planned and developed by 2024	N/A	N/A	N/A	N/A	-	-	-

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2020/21

Outcome	Outputs	Output Indicator	Annual Target						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
Integrated Planning and Coordination	SIPs	4.5 Number of Revised SIPs Developed	N/A	N/A	N/A	New Indicator	18	18	18
		4.6 No of implementation plans finalised for Cabinet-approved projects	N/A	N/A	N/A	New Indicator	22	22	22

Indicators, Annual and Quarterly Targets

Table C 8: Programme (Property and Construction Industry Policy and Research) Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
4.1 Expropriation Bill introduced in Parliament	1	N/A	N/A	N/A	1
4.2 Public Works General Laws and Repeal Bill Developed	1	N/A	N/A	N/A	1
4.3 Number of cities identified for redesign and refurbishment as smart cities	1 city refurbished	N/A	N/A	N/A	1
4.5 Number of Revised SIPs Developed	18	N/A	18	N/A	18
4.6 No of implementation plans finalised for Cabinet-approved projects	22	N/A	N/A	N/A	22

Programme 5: Prestige Policy

Purpose	Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for State functions.
Description	To oversee the efficient delivery of identified services to Prestige clients.

SUB-PROGRAMMES:

This programme is constituted by the following sub-programmes:

5.1 Prestige accommodation and State functions	To manage the delivery of services to prestige clients in accordance with approved prestige policy frameworks. The frameworks directs the provision and maintenance of movable and immovable assets for prestige clients aligned to the Ministerial Handbook and the effective management of State events.
5.2 Parliamentary Villages Management Board	To oversee the Parliamentary Villages with respect to general oversight, client relationship management and providing service excellence with respect to identified services to Prestige Clients

FUNCTIONS AND OUTCOME RELATION

This programme has synergies with one Strategic Outcome namely, **Dignified Client Experience** and its respective Sub Outcomes.

The Prestige Policy Programme is responsible for the development of policy, norms and standards for strategic institutions used by Prestige clients which includes the National Parliament and the Union Buildings as well as the development of policy and norms and standards for the provision of accommodation for Prestige clients. The Programme is also responsible for the provision and maintenance of movable assets (office and residential) and movable structures for State events.

Prestige clients comprise of the President, Deputy President, Former President and Former Deputy President (referred to as Category I (a) and (b) clients), Members of the Executive, Presiding Officers, Chairperson and Deputy Chairperson of the house of Traditional Leaders, Chief Justice and Deputy Chief Justice, eminent persons declared by the President (referred to as Category II clients), Members of Parliament, Directors-General and Sessional Officials (referred to as Category III clients).

The strategies that will be progressed include improved customer relations through active management of client relations, effective management of lease related payments by Prestige clients and improved accommodation through accommodation enhancements.

Outcomes, Outputs, Performance Indicators and Targets

Table C 9: Programme (Prestige Policy) Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Target						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
Dignified Client Experience	Norms and Standards	5.1 Number of prestige policies approved	No policy has been developed	No Prestige Policy approved	No Prestige Policy approved	2	2	2	2
	Infrastructure Delivery	5.2 Number of planned state events supported with movable structures	13 Planned State events supported with movable structures	8 Planned State events supported with movable structures	8 Planned State events supported with movable structures	8	8	8	8
		5.3 Percentage of movable assets provided within 60 working days after approval by Prestige clients	40% (21) movable assets requests provided within 60 working days after approval by prestige client	33% (6) movable assets requests provided within 60 working days after approval by prestige client	30% movable assets requests provided within 60 working days after approval by prestige client	50% movable assets requests provided within 60 working days after approval by prestige client	60% movable assets requests provided within 60 working days after approval by prestige client	70% movable assets requests provided within 60 working days after approval by prestige client	80% movable assets requests provided within 60 working days after approval by prestige client
		5.4 Signed infrastructure worklists	1 signed off infrastructure worklists for Prestige Portfolio for 2017/18	1 signed off infrastructure worklists for Prestige Portfolio for 2018/19	5 signed off infrastructure worklists for Prestige Portfolio for 2018/19	1	1	1	1

Indicators, Annual and Quarterly Targets

Table C 10: Programme (Prestige Policy) - Indicators, Annual and Quarterly Targets

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
5.1 Number of prestige policies approved	2	N/A	N/A	N/A	2
5.2 Number of planned state events supported with movable structures	8	2	2	2	2
5.3 Percentage of movable assets provided within 60 working days after approval by Prestige clients	60%	60%	60%	60%	60%
5.4 Signed infrastructure worklists	1	N/A	N/A	N/A	1

Programme: PMTE Administration

Purpose	Provide leadership, strategic management, governance and administrative support to the Property Management Trading Entity (PMTE).
Description	The programme ensures effective leadership in accordance with legislation and accountability through organisational strategy and performance driven management, strengthened by sound governance, and appropriate administrative systems to enable the PMTE through converged innovative best practice solutions and standards.

SUB-PROGRAMMES:

This Programme is constituted by the following four Sub-programmes:

6.1 Management Leadership	Office of the Head of PMTE and related services providing strategic leadership, governance and administration support.
6.2 Operations Support Management	Provision of operations support and enabling services.
6.3 Financial and Accounting Management (Finance)	Provision of effective and efficient financial management through sustainable sound internal control measures.
6.4 Supply Chain Management (SCM)	Provision of effective purpose orientated Supply Chain Management to realise inclusive economic growth.

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with the Strategic Outcome namely, **A Resilient, Ethical and Capable DPWI** and its respective Sub Outcomes.

The key role of the Programme is aligning people to processes and systems to drive organisational performance and therefore create an inculcated culture conducive to an effective and efficient working environment which delivers ethically in a developmental state

The Programme will strive to change the corporate culture, re-align management and leadership so that the strategic direction and focus can be embraced. Through aligned strategy, systems, processes and people, the DPWI can become efficient, effective and economical to improve a well governed institutional organisation with excellent reputation and image for the materialisation of the transformational agenda.

With respect to the sub-outcomes, the following strategies will be implemented:

Effective Governance: This will be realised through continual monitoring of the fraud risk index.

Empowered Human Capital: The programme will concentrate efforts with respect to increasing staff motivation and empowering capabilities, increasing staff performance through the roll-out of the employee performance management and reward system, up-skilling and reskilling to make DPWI not only resilient, but employer of choice.

Accountable Performance: Performance based budgeting and accountability towards the achievement of departmental outcomes, in compliance with applicable prescripts, will result in sound financial performance.

Outcomes, Outputs, Performance Indicators and Targets

Table C 11: Programme (Administration) – Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
A Resilient, Ethical and Capable DPWI	Spend of the allocated budget	6.1 Percentage Financial Performance Level	98.3%	99.2%	99.5%	100%	100%	100%	100%

Indicators, Annual and Quarterly Targets

Table C 12: Programme (PMTE Administration) - Indicators, Annual and Quarterly Targets

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
6.1 Percentage Financial Performance Level	100%	27%	53%	87%	100%

Programme: Real Estate Investment Services

Purpose	To optimise utilisation and maximise the value of the State Property Portfolio.
Description	This Programme aims at achieving an efficient, effective and competitive State Property Portfolio in order to provide cost effective accommodation to other State Departments so they derive at costs savings, meet their service delivery objectives and to realise the preservation and growth of the State's asset portfolio. This is done through the optimal utilisation and maximising (investment stock) the value of the State Property Portfolio. The Programme further aims to integrate the planning and development of government infrastructure with the sector departments, provinces and municipalities to address historic spatial imbalances and to pursue future development.

SUB-PROGRAMMES

This Programme is constituted by the following four Sub-programmes:

7.1 User Demand Management	To determine user needs by developing comprehensive knowledge of user requirements in line with their service delivery priorities and ensure optimal level of statutory compliance for compilation of development of User Asset Management Plans (U-AMP) in line with GIAMA.
7.2 Planning and Precinct Development	To plan and develop integrated government precincts in urban and rural areas for improved government accommodation and enhanced service delivery.
7.3 Property Performance Management	To manage property performance and provide investment decisions to ensure sustainable life cycle immovable asset management and a responsive and value driven property portfolio under the custodianship of the Department of Public Works and Infrastructure.
7.4 Portfolio Analysis	To ensure appropriate investment decisions supporting accommodation solutions that optimize the performance of the immovable asset portfolio under PMTE custodianship
7.5 Technical Services	To provide built environment technical services to DPWI and User Departments, oversee the compliance with the acceptable norms, standards and specifications, and provide advice during planning, designing and procurement phases

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with all seven Outcomes namely, **Productive Assets**, **Sustainable Infrastructure Investment**, **Integrated Planning and Co-ordination**, **Dignified Client Experience**, **Optimised Job Opportunities**, **A Resilient, Ethnical and Capable DPWI** and **Transformed Built Environment** and their respective Sub Outcomes.

The programme will address the identified Outcome in association with the other Outcome programs as follows:

Integrated Planning and Co-ordination

- The Precinct Planning component will be responsible to align to sector infrastructure plans and spatially target cities, towns and rural service centers in support of the District based development model to support the development of Government Precincts as an inclusion into the prioritised project pipe-line that will direct government spending.
- User Demand Management component requires to solicit strategic plans and User Needs for new developments that align to the spatial planning imperatives of government.
- User accommodation requirements need to be transcribed into the User Asset management Plan and Custodian Plan in developing informed accommodation solutions that can inform budget planning.
- This will support the identification of significant infrastructure projects that feed into the National Infrastructure Plan.

Productive Assets

- Feasibility studies that inform planning derive their input information from various programs:
 - REMS is required to provide marketing intelligence and lease data.
 - FM is required to provide information relating to the condition and performance of assets.
- Both sets of information will enable the completion of strategic portfolio and property assessments and enable the necessary feasibilities to be conducted.
- For UDM to compile User Asset Management Plans, accurate (WCS/PMIS) asset data from REIRS.

Sustainable Infrastructure Investment

- The DPWI construction programs within this Outcome must provide feedback on implementation of infrastructure development for monitoring and evaluation purposes.

Transformed Built Environment

- The relevant programs in this Outcome must ensure requisite policies and prescripts that inform the required targeting.
- The relevant programs must collate and report on the outcome targeting in the planning and implementation phases.

Optimised Job Opportunities

- The relevant programs in this Outcome must ensure requisite policies and prescripts that inform the required targeting.
- The relevant programs must collate and report on the outcome targeting in the planning and implementation phases

Dignified Client Experience

- In the compilation of UAMPS, UDM will ensure lifecycle requirements are obtained from Users and incorporated into the development of relevant infrastructure programs
- FM will ensure there is an appropriate response to the User requirements in the FM solutions developed to ensure sustainability of the infrastructure over the long term.

It should be noted that, with respect to the Output Indicators, various measurements are incorporated in the operational plans of this and other Programmes.

Outcomes, Outputs, Performance Indicators and Targets

Table C 13: Programme (Real Estate Investment Services) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
Integrated Planning and Co-ordination	Ha released from the DPWI portfolio for development of Infrastructure programs	7.1 Ha released from the DPWI portfolio for development of Infrastructure programs and socio economic objectives	36%(34 of 95)of disposal requests approved	57% (97 of 170) disposal requests processed	70% (117/167) processed requests	11320.45 hectares	34 995 hectares	5 100 hectares	5 100 hectares
	CAMP approved	7.2 Approved CAMP submitted to NT	1	1	1	1	1	1	1

Indicators, Annual and Quarterly Targets

Table C 14: Programme (Real Estate Investment Services) - Indicators, Annual and Quarterly Targets

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
7.1 Ha released from the DPWI portfolio for development of Infrastructure programs and socio economic objectives	34 995 hectares	-	-	-	34 995 hectares
7.3 Approved CAMP submitted to NT	1	-	1	-	-

Programme: Construction Project Management

Purpose	To provide effective and efficient delivery of accommodation needs for DPW and User Departments through construction.
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SUB-PROGRAMMES

This Programme is constituted by the following two Sub-programmes:

- | | |
|---|---|
| a. Construction Project Planning | To plan for project delivery through project implementation planning, procurement of professionals, design development and appointment of contractors based on the needs of user departments. |
| b. Construction Project Management | To programme and project manage the delivery of construction projects within the parameters of time, cost and quality as per the requirements of user department. |

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with three Outcomes namely, **Productive Assets, Sustainable Infrastructure Investment, Integrated Planning and Co-ordination** and their respective Sub Outcomes.

The key role the Programme plays in terms of Integrated Planning and Coordination is through developing accommodation solution in line with the municipal development plans, for example IDP and SDF's, development of the implementation plans that will influence the delivery of accommodation and ultimately contribute to the GDP of the Country.

Secondary functions include the effective monitoring and reporting of the government spatial plan by acquiring an automated asset management system and the evaluation of government wide infrastructure that will look at the annual review and alignment to budget allocation by the Treasury.

The key role of the Programme towards Infrastructure Investment relates to the planning for expenditure which culminate through the CMS, monitoring, immovable asset disposal and asset recommendation and determination of user charges.

Secondary functions include the reduction of service delivery backlogs, inclusive of refurbishment and the optimum utilisation of state Assets to create rand value share of state property and income generated through state owned properties.

Please note, that with respect to the Output Indicators various measurements are incorporated in the operational plans of this and other Programmes.

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Outcomes, Outputs, Performance Indicators and Targets

Table C 15: Programme (Construction Project Management) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGET						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
Integrated Planning and Co-ordination	Accessible Buildings	8.1 Number of design solutions completed for identified user departments	2	2	1	1	1	1	1
		8.2 Number of Projects completed within agreed construction period	139	138	84	92	115	115	115
Productive Assets	Completed Project Spend	8.3 Number of infrastructure projects completed within approved budget	129	141	84	92	115	115	115
		8.4 Number of infrastructure sites handed over for construction	186	89	105	116	125	125	125
Sustainable Infrastructure Investment	Completed Project	8.5 Number of infrastructure projects completed	182	148	105	116	130	130	135

Indicators, Annual and Quarterly Targets

Table C 16: Programme (Construction Project Management) Indicators, annual and quarterly targets

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
8.1 Number of design solutions completed for identified user departments	1	-	-	-	1
8.2 Number of Projects completed within agreed construction period	115	29	57	86	115
8.3 Number of infrastructure projects completed within approved budget	115	29	57	86	115
8.4 Number of infrastructure sites handed over for construction	125	32	64	93	125
8.5 Number of infrastructure projects completed	130	32	66	98	130

Programme: Real Estate Management Services

Purpose	To timeously provide and manage suitable accommodation in support of user needs to meet their service delivery objectives.
Description	The Real Estate Management division (REMS) is structured and capacitated to implement the asset management strategy by providing suitable and cost effective accommodation to State Departments, to facilitate service delivery objectives through the effective deployment of freehold properties, and the efficient acquisition and management of leasehold accommodation.

SUB-PROGRAMMES

This Programme is constituted by the following Sub-programmes:

9.1 Management of Freehold Property	To optimally manage the freehold portfolio to support service delivery and generate revenue and extend the life-cycle of the properties.
9.2 Land Administration and Management	Management of land parcels.
9.3 Surplus Freehold Stock (Revenue) Management	To drive and create a funding stream for capital maintenance and improvements to extend the life-cycle of existing freehold properties.
9.4 Leasehold Management	To effectively and efficiently manage the leasehold portfolio and ensure accommodation is procured in accordance to approved user departments' needs.

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with four main Outcomes namely, **Productive Assets, Sustainable Infrastructure Investment, Dignified Client Experience, Transformed Built Environment** and their respective Sub-outcomes.

In terms of Productive Asset and Sustainable Infrastructure Investment, the Programme contributes to the GDP through reduction of unemployment, reduction of lease expenditure from government and taxes, and also leases will generate revenues from property.

With respect to Dignified Client Experience. The role of the Programme relates to the provision of the classes of Assets components UCA/ Government owned property which are suitable and compliant. There is a disposal portion to make property available, create jobs, land available for human settlement so citizens can gain.

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2020/21

Outcomes, Outputs, Performance Indicators and Targets

Table C 17: Programme (Real Estate Management Services) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2020/21	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20		2021/2022	2022/2023	2023/2024
Productive Assets	Lease Portfolio size	9.1 Number of private leases reduced within the security cluster	7 private leases reduced within the security cluster	12 private leases reduced within the security cluster	13 private leases reduced within the security cluster	13 private leases reduced within the security cluster	13 private leases reduced within the security cluster	10 private leases reduced within the security cluster	10 private leases reduced within the security cluster
	Rand Value Savings on identified Portfolio of Assets	9.2 Savings realised on identified function specific private leases	-	-	-	R20 Mil Savings realised on identified function specific private leases	R20 Mil Savings realised on identified function specific private leases	R30 Mil Savings realised on identified function specific private leases	R35 Mil Savings realised on identified function specific private leases
	Rand Value Revenue Generated	9.3 Percentage increase in revenue generation through letting of State-owned properties (excluding harbour properties)	30% (R6,82) mil increase in revenue generation	10% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	15% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	15% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	15% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	15% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	20% increase in revenue generation through letting of state-owned properties (excluding harbour properties)

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2020/21

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2020/21	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20		2021/2022	2022/2023	2023/2024
	Number of unutilised vacant state owned properties let out	9.4 Number of unutilised vacant state owned properties let out	65 identified vacant surplus state-owned properties let out	95 identified vacant surplus state-owned properties let out	-	70 unutilised vacant state owned properties let out	70 unutilised vacant state owned properties let out	70 unutilised vacant state owned properties let out	100 unutilised vacant state owned properties let out
Transformed built Environment	Empowered designated groups (Woman, youth, people with disabilities)	9.5 Percentage of new leases awarded to black owned companies	-	-	-	25% of new leases awarded to Black Owned companies	25% of new leases awarded to Black Owned companies	30% of new leases awarded to Black Owned companies	35% of new leases awarded to Black Owned companies
Dignified client experience	Customer centric organisation	9.6 Percentage of new private leases procured with a maintenance plan	-	-	-	100% of new private leases contracts with maintenance plan	100% of new private leases contracts with maintenance plan	100% of new private leases contracts with maintenance plan	100% of new private leases contracts with maintenance plan
Productive assets		9.7 No. of Business Opportunities that create actual jobs	N/A	N/A	N/A	New Indicator	15	20	25

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2020/21

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2020/21	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20		2021/2022	2022/2023	2023/2024
		9.8 Percentage rental change through the letting out of small harbours and state coastal properties	41% increase in revenue through rentals of harbour related properties	5.3% increase in revenue through rentals of harbour related properties	20% increase in revenue through rentals of state owned small harbour and coastal properties	20% increase in revenue through rentals of state owned small harbour and coastal properties	20% increase in revenue through rentals of state owned small harbour and coastal properties	20% increase in revenue through rentals of state owned small harbour and coastal properties	20% increase in revenue through rentals of state owned small harbour and coastal properties

Indicators, Annual and Quarterly Targets

Table C 18: Programme (Real Estate Management Services) - Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS	ANNUAL TARGETS	Q1	Q2	Q3	Q4
9.1 Number of private leases reduced within the security cluster	13 Private leases reduced within the security cluster	-	-	-	13
9.2 Savings realised on identified function specific private leases	20 million savings realised on identified private leases	-	-	-	20
9.3 Percentage change in revenue generation through letting of State-owned properties (excluding harbour properties)	15% change in revenue generation through letting of state-owned properties (excluding harbour properties)	-	-	-	15%
9.4 Number of unutilised vacant state owned properties let out	70 number of unutilised vacant state owned properties let out	-	35	-	35
9.5 Percentage of new leases awarded to black owned companies	25% of new leases awarded to Black Owned companies	-	-	-	25%
9.6 Percentage of new private leases procured with a maintenance plan	100% of new private leases contracts with maintenance plan	100%	100%	100%	100%
9.7 No. of Business Opportunities that create actual jobs	15	-	-	-	15
9.8 Percentage rental change through the letting out of small harbours and	20% increase in revenue through rentals of state owned small harbour and coastal properties	-	-	-	20% increase in revenue through rentals of state owned small harbour

state coastal properties					and coastal properties
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Programme: Real Estate Information and Registry

Purpose	To develop and manage a complete GRAP compliant Immovable Asset Register which supports Property Management Trading Entity business requirements and service delivery objectives of the State.
Description	To provide leadership, guidance and support to National, Provincial and Local Government custodians of State assets to ensure use of applicable standards in accounting for immovable assets and management of IARs and to maintain and report on a consolidated National database of State properties.

SUB-PROGRAMMES

This Programme is constituted by the following two Sub-programmes:

10.1 Asset Registry Services	To timeously provide and manage suitable accommodation in support of user needs to meet their service delivery objectives.
10.2 Conveyancing	The Real Estate Management division (REMS) is structured and capacitated to implement the asset management strategy by providing suitable and cost effective accommodation to State Departments, to facilitate service delivery objectives through the effective deployment of freehold properties, and the efficient acquisition and management of leasehold accommodation.

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with four Outcomes namely, **Productive Assets, Sustainable Infrastructure Investment, Optimised Job Opportunities, Integrated Planning and Co-ordination** and their respective Sub Outcomes.

The Programme contributes to Optimised Job Opportunities by providing physical verification in terms IAR enhancement Programme. The Programme plays a primary role with the following value chain stakeholders (National and Provincial) to Finance (budget) to ICT and HR units.

In terms of Coordinated Integrated Planning their role is to provide the information on land available for socio-economic infrastructure investment; coordination oversight for vesting and disposal processes.

The outcomes of Productive Asset and Sustainable Infrastructure Investment is to facilitate the reduction in socio-economic infrastructure development backlogs; faster turnaround time in terms of transfers and ensuring SLA's with all the relevant stakeholders.

Please note, that with respect to the Output Indicators various measurements are incorporated in the operational plans of this and other Programmes.

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Outcomes, Outputs, Performance Indicators and Targets

Table C 19: Programme (Real Estate Information and Registry) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGET						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
Integrated Planning and Coordinatio	Compliance Verification	10.1 Number of Provincial Immovable Asset Registers assessed for compliance	9	9	9	9	9	9	9
		10.2 Number of immovable assets physically verified to validate existence and assess condition	7516	6300	19708	24636	29562	31000	7161
Productive Assets	Land Parcels Vested	10.3 Number of land parcels vested (confirmation of ownership)	518 land parcels vested	572 land parcels vested	800 land parcels vested	900 land parcels vested	1 000 land parcels vested (confirmation of ownership)	1 000 land parcels vested (confirmation of ownership)	1 000 land parcels vested (confirmation of ownership)

Indicators, Annual and Quarterly Targets

Table C 20: Programme (Real Estate Information and Registry) - Indicators, Annual and Quarterly Targets

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
10.1 Number of Provincial Immovable Asset Registers assessed for compliance	29562	7390	7390	7390	7392
10.2 Number of immovable assets physically verified to validate existence and assess condition	100%	-	-	-	100%
10.3 Number of land parcels vested (confirmation of ownership)	100%	-	100%	-	100%

Programme: Facilities Management

Purpose	To ensure that immovable assets used by government departments and the public, are optimally utilised and maintained in a safe, secure healthy and ergonomic environment while contributing to job creation, skills development and poverty alleviation.
Description	The Programme will also provide property maintenance and improvement service to the Real Estate Asset Management to meet the requirements of users in order to comply with regulatory and other policy imperatives at an acceptable life cycle cost.

SUB-PROGRAMMES

This Programme is constituted by the following three Sub-programmes:

11.1 Scheduled Maintenance	To provide planned maintenance (preventive maintenance and refurbishment) on state buildings to extend their useful life based on user department's basic facilities management needs in a manner consistent with regulatory and other policy imperatives at an acceptable life cycle cost.
11.2 Safety, Health, Environment, Risk & Quality (SHERQ) Management	To ensure compliance with SHERQ regulatory framework, by conducting proactive and re-active inspections at workplaces.

11.3 Unscheduled Maintenance Management

To provide unscheduled maintenance (corrective, day-to-Day emergency maintenance). To ensure appropriate response times to user departments unscheduled maintenance needs without service delivery interruptions and to promote technical and professional skills development through Service Centers.

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with three Outcome namely, **Productive Assets, Sustainable Infrastructure Investment, Dignified Client Experience** and their respective Sub Outcomes.

Government is the largest estate holder in the country. However, the condition of buildings is very poor and in most cases does not enable user departments to fulfil their service delivery mandate. Several buildings are an eye-sore while others are vacant and become nests for vagrants, a haven for criminals and a health hazard. If these buildings and equipment are not maintained, it could endanger public safety. High level condition assessments reveal a very daunting scenario indicating that the suitability, performance and functionality of these buildings is very poor and therefore requires millions of financial injection to restore them to habitable and reliable condition.

Research has proven that it is more cost effective to provide planned maintenance for an asset rather than wait for deterioration of the building and or equipment. Additionally, properties which do not comply with legislation or regulations may result in government being faced with litigation by communities due to accidents, hazardous substances or security breaches.

In 2006, the Department developed the National Infrastructure Management Strategy (NIMS) which recognises major backlogs in relation to the maintenance of public infrastructure to ensure that efforts are harnessed to resuscitate immovable assets from further extinction. Facilities management becomes a quick fix activity which is not planned or budgeted for. Legislation governing protection, safety and health is minimally applied thus posing negative exposure to both user departments and visitors of government facilities. A review of NIMS is underway to ensure that implementation occurs.

Facilities Management offers an opportunity for government to salvage further deterioration of immovable assets and loss of value. Currently, facilities management is applied in a fragmented approach and in some cases not in line with Supply Chain Management processes.²⁴

Please note, that with respect to the Output Indicators various measurements are incorporated in the operational plans of this and other branches

²⁴ Extract from revised 2019 SP

Outcomes, Outputs, Performance Indicators and Targets

Table C 21: Programme (Facilities Management) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGET						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			16/17	17/18	18/19	19/20	20/21	21/22	22/23
Productive Assets	Conditions of buildings and critical components	11.1 Number of condition assessments conducted on identified / prioritised properties	N/A	N/A	N/A	New Indicator	200	300	400
		11.2 Number of critical components assessed to determine the conditions of components (lifts and boilers)	N/A	N/A	N/A	New Indicator	220 (200 & 20)	208 (200 & 8)	164
		11.3 Percentage of critical components assessed to determine the conditions of components (HVAC and Gensets and Water systems)	N/A	N/A	N/A	New Indicator	20%	30%	30%
Dignified Client Experience	Maintained facilities	11.4 Percentage change in level of reactive maintenance	N/A	N/A	N/A	New Indicator	10%	15%	15%

Indicators, Annual and Quarterly Targets

Table C 22: Programme (Facilities Management) - Indicators, Annual and Quarterly Targets

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
11.1 Number of condition assessments conducted on identified / prioritised properties	200	50	50	50	50
11.2 Number of critical components assessed to determine the conditions of components (lifts and boilers)	200	50	50	50	50
11.3 Percentage of critical components assessed to determine the conditions of components (HVAC and Gensets and Water systems)	20%	20%	20%	20%	20%
11.4 Percentage change in level of reactive maintenance	10%	2%	3%	3%	2%

10. Explanation of planned performance over the medium term period

It should be noted that various Programme qualitative indicators will need to be supported by requisite budget funding to support their respective completion. The contribution of its outputs to achieving the intended outcomes and impact in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities are supplied below. A description of planned performance in relation to the Programmes' outputs are supplied.

Programme 1: Management

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: A RESILIENT, ETHICAL AND CAPABLE DPWI		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Ethics and Fraud Perception Rating	The indicator seeks to measure the perception levels amongst DPWI staff and external stakeholders with respect to levels of ethical conduct and the prevalence of fraud within the Department	N/A
Compliance Rate	To measure the level of compliance measured against an approved set of criteria	N/A
Percentage Performance Information Level	To achieve in institutional operational performance level of ultimately 100% as measured against predetermined objectives	N/A
Percentage Financial Performance Level	The Department aims to improve the spending trend on the allocated budget to 100%	N/A
Percentage Vacancy Rate	The Departments aims to maintain the 10% vacancy rate through the filling of positions	Cognisance will be taken to address the previous inequalities experienced by previously disadvantaged persons
Designated groups in SMS level in the Department (Women and PWD)	The Department aims at improving gender representation at SMS level from current levels and persons with Disabilities to the national targets	Will address the previous inequalities experienced by previously disadvantaged persons
Percentage Business Process Automation	Implementation of an ICT enterprise architecture will enable modernisation of systems and automation of business processes.	N/A
Number of business solutions for digitisation	Will measure the Implementation of the number of business solutions developed to support digitalisation of the enterprise data	N/A

Programme 2: Intergovernmental Coordination

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: INTEGRATED PLANNING AND CO-ORDINATION		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Number of infrastructure implementation plans Reviews	To ensure that all spheres of government have a cohesive approach to the implementation of a comprehensive integrated plan	N/A
Number of Revised SIPs Developed	Will measure the number of strategic integrated projects reviewed on an annual basis	N/A
Sector Performance Reviews	Will measure the frequency of MINMEC review meetings	N/A
SP Impact: Infrastructure-led Economic Growth		
SP Outcome: Transformed Built Environment		
Outputs	Contribution	
Number of Beneficiaries participating in the DPWI's skills Pipeline Intervention Programmes Schools Programme		Will seek to address the previous inequalities experienced by previously disadvantaged persons
Percentage of Implementation of the Provincial Department of Public Works Capacity Building Programmes aligned to the Skills Pipeline Strategy		Will seek to address the previous inequalities experienced by previously disadvantaged persons

Programme 3: Expanded Public Works Programme

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: OPTIMISED JOB OPPORTUNITIES		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Number of work opportunities reported in the EPWP-RS by public bodies	Coordinate, monitor and report on the number of work opportunities captured in the EPWP-Reporting System by public bodies, in all spheres of Government aligned to the approved EPWP Phase IV Business Plan. The 5 year target of 5 million work opportunities is based on baseline funding received by public bodies from Treasury over the MTEF. A work opportunity is paid work created for an	Will address the previous inequalities experienced by previously disadvantaged persons

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: OPTIMISED JOB OPPORTUNITIES		
	<p>individual on an EPWP project for any period. The same person can be employed on different projects and each period of employment will be counted as a work opportunity. The EPWP Reporting System is a system developed and managed by the DPWI to of collect, store and produce data on EPWP projects in the form of information needed for progress reporting. A public body is any organisation that is defined by legislation as a government institution; and for purposes of this document, refers to a national or provincial department or municipality or state-owned entities within these spheres of government.</p>	
<p>Percentage EPWP participation among designated groups (women, youth and persons with disabilities) reported on the EPWP RS by public bodies</p>	<p>The indicator is measuring the number of work opportunities reported by public bodies (national departments; provincial departments, municipalities) in the EPWP-Reporting System, disaggregated into women, youth and persons with disabilities, The number of work opportunities reported by public bodies for young people of the age between 16-35 years as a percentage of the total number of EPWP work opportunities. A work opportunity is paid work created for an individual on an EPWP project for any period. The same person can be employed on different projects and each period of employment will be counted as a work opportunity. The EPWP Reporting System is a system developed and managed by the DPWI to of collect, store and produce data on EPWP projects in the form of information needed for progress reporting. A public body is any organisation that is defined by legislation as a government institution; and for purposes of this document, refers to a national or provincial department or municipality or state-owned entities within these spheres of government.</p>	<p>Will address the previous inequalities experienced by previously disadvantaged persons</p>

Programme 4: Property and Construction Industry Policy and Research

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: TRANSFORMED BUILT ENVIRONMENT		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Expropriation Bill introduced in Parliament	Will measure the timeframe of the submission of the Expropriation Bill to Parliament.	N/A
Public Works General Laws and Repeal Bill Developed	Will measure the timeframe of the development of the Public Works General Laws and Repeal Bill.	N/A

Programme 5: Prestige Policy

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: DIGNIFIED CLIENT EXPERIENCE		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Number of prestige policies approved	To standardise approach to prestige portfolio	N/A
Number of planned state events supported with movable structures	To improve client experience and realise the objectives of the State events	N/A
Percentage of movable assets provided within 60 working days after approval by Prestige clients	To improve client experience	N/A
Signed infrastructure worklists	To improve client experience	N/A

Programme 6: Administration

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: A RESILIENT, ETHICAL AND CAPABLE DPWI		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Percentage Financial Performance Level	The Department aims to improve the spending trend on the allocated budget to 100%.	N/A

Programme 7: Real Estate Investment Services

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: INTEGRATED PLANNING AND COORDINATION		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Extent of land (HA) availed for socio-economic purposes	The indicator seeks to measure the extent of land that has been availed to enable infrastructure development in respect of the total government infrastructure program that provides for funded and planned projects over the 5yr MTSF and beyond.	N/A
Ha released from the DPWI portfolio for development of Infrastructure programs and socio economic objectives	This indicator seeks to measure the extent of State land availed in the financial year.	N/A
Approved CAMP submitted to NT	The C-AMP is produced annually in line with the requirements of GIAMA that contains the development of an infrastructure plan indicating how the custodian intends to meet the accommodation requirements of the User Departments.	
SP Impact: Infrastructure-led Economic Growth SP Outcome: Sustainable Infrastructure Investment		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.

Programme 8: Construction Project Management

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: PRODUCTIVE ASSETS		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Rand value (Percentage of Rand Value) of the Asset Portfolio (Completed projects) with 80% targets	Asset Portfolio size	N/A
SP Impact: Infrastructure-led Economic Growth SP Outcome: Integrated Planning and Co-ordination		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: PRODUCTIVE ASSETS		
Government buildings with accessibility facilities	To improve client experience	N/A
Percentage new major capex projects implemented/completed	To improve client experience	N/A

Programme 9: Real Estate Management Services

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: PRODUCTIVE ASSETS		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Portfolio Assets Condition Rating	To improve client experience and longevity of the assets	N/A
Percentage of rental increased through the letting out of small harbours and state coastal properties	The indicator is measuring the increase in revenue generated for PMTE through the leasing out of small harbour and state owned coastal properties.	N/A
Portfolio size availed for socio and economic purposes	To contribute to socio-economic initiatives	Addressing priorities in relation to women, youth and people with disabilities.
Number of unutilised vacant state owned properties let out	The indicator measures the percentage of vacant, unutilised surplus (non-strategic) State owned properties let out within the financial year from the identified list of properties.	N/A
Lease Portfolio size	Leverage on the size of the portfolio	N/A
Average Utilisation Rate (Average Building size/capacity/occupation)	To improve client experience	N/A
Rand Value Savings on identified Portfolio of Assets	The indicator is measuring the savings that the user departments will realise from the enhancement of lease management through (a) the renegotiation of lease terms and/or payable rates and/or escalations for identified leases/landlords (b) application of the revised space and cost norms for new leases The intervention(s) will be applied to the identified private leases in a specific financial year and the savings will be reported for the duration of the lease period.	N/A

SP Impact: Infrastructure-led Economic Growth		
SP Outcome: Productive Assets		
Outputs	Contribution	
Rand Value Revenue Generated	Contribute to the constrained fiscus	N/A
SP Impact: Infrastructure-led Economic Growth		
SP Outcome: Dignified Client Experience		
Outputs	Contribution	
Percentage of new private leases procured with a maintenance plan	To improve client experience	N/A
Percentage Private buildings meet user department service delivery objectives and public served.	To improve client experience	N/A
SP Impact: Infrastructure-led Economic Growth		
SP Outcome: Transformed Built Environment		
Outputs	Contribution	
Empowered designated groups (Woman, youth, people with disabilities)	Empowerment of designated groups	Addressing priorities in relation to women, youth and people with disabilities.

Programme 10: Real Estate Information and Registry

SP Impact: Infrastructure-led Economic Growth		
SP Outcome: INTEGRATED PLANNING AND CO-ORDINATION		
Outputs	Contribution	
		Addressing priorities in relation to women, youth and people with disabilities.
Number of Provincial Immovable Asset Registers assessed for compliance	The indicator is measuring the extent of compliance to the relevant prescripts and National Treasury guidelines on Immovable Assets.	N/A
SP Impact: Infrastructure-led Economic Growth		
SP Outcome: Productive Asset		
Outputs	Contribution	
Number of immovable assets physically verified to validate existence and assess condition	Asset register	N/A
Rand value of properties newly recognised	The indicator is measuring the value of properties on the immovable asset register that are being recognised for the first time during the financial year. The Deemed Cost Model of DPWI will be applied on these properties in order to	N/A

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: INTEGRATED PLANNING AND CO-ORDINATION		
	determine the value which will be recorded in the IAR and disclosed in the Annual Financial Statements value.	

Programme 11: Facilities Management

SP IMPACT: I INFRASTRUCTURE-LED ECONOMIC GROWTH		
SP OUTCOME: PRODUCTIVE ASSETS		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Portfolio Assets Condition Rating	To apprise the level of properties in the State Asset portfolio to inform investment priorities.	Will take cognisance and prioritise previously disadvantaged persons, specifically youth in the allocation of maintenance contacts.
Building Performance Matrix		N/A
Resource Efficiency Index	To reduce water/ electricity consumption through innovative initiatives aligned to the Green Building Programme.	N/A
SP Impact: Infrastructure-led Economic Growth		
SP Outcome: Dignified Client Experience		
Outputs	Contribution	Addressing priorities in relation to women, youth and people with disabilities.
Turnaround Times on non-devolved Maintenance	To reduce the response time as measured against predetermined service level standards.	Will take cognisance and prioritise previously disadvantaged persons, specifically youth in the allocation of maintenance contacts.
Percentage of facilities compliant to Asset Management Legislation & Infrastructure Norms & Standards	To improve client experience	N/A

11. Programme Recourse Considerations

The following resource allocations have been done as per Table C.

Table C 23: Resource Considerations

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2022/23 (R'000)
Administration	450 463	447 607	448 316	511 013	538 883	591 047	615 646
Intergovernmental Coordination	16 477	45 419	50 425	56 386	63 716	70 355	69 816
Expanded Public Works Programme	2 301 446	2 367 805	2 532 725	2 680 814	2 717 463	3 104 661	3 228 295
Property and Construction Industry Policy and Research	3 547 048	4 001 848	4 247 318	4 598 905	4 647 778	4 873 024	5 054 792
Prestige	87 931	79 608	184 765	119 927	102 956	118 177	121 159
Total	6 403 365	6 942 287	7 463 549	7 967 045	8 070 796	8 757 264	9 089 708

Over the medium term, the Department of Public Works and Infrastructure will continue to focus on: creating work opportunities; providing better oversight, cooperation and service delivery; facilitating skills development in the construction and property sectors; reviewing and developing policy; and improving governance and mitigating risk. These areas of focus contribute towards the realisation of the National Development Plan's vision of facilitating job creation and improving public infrastructure, and priority 1 (economic transformation and job creation) and priority 6 (a capable, ethical and developmental state) of government's 2019-2024 medium-term strategic framework. The department will continue to lead and coordinate the expanded public works programme. To date, through the programme, an estimated 4.5 million work opportunities have been created through the use of labour intensive methods in the infrastructure, social, non-state, environmental and cultural sectors.

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PROGRAMMES	AUDITED OUTCOME			FINAL BUDGET	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2022/23 (R'000)
Administration	467 351	925 090	856 726	863 898	845 821	866 366	893 731
Real Estate Investment Services	107 102	153 750	175 529	212 217	223 431	234 682	246 050
Construction Management Project	3 509 545	3 873 852	3 920 153	5 045 228	5 307 834	5 755 445	6 089 483
Real Estate Management Services	5 702 718	10 510 038	10 730 012	11 408 672	13 390 294	14 555 148	15 810 182
Real Estate Information and Registry Services	44 183	26 124	54 469	123 629	116 535	70 119	73 734
Facilities Management Services	4 482 615	3 523 689	3 829 343	3 693 228	4 008 645	4 118 857	4 320 670
Total for Programmes	14 313 514	19 012 543	19 566 232	21 346 872	23 892 560	25 600 617	27 433 850

A key component of the entity's funds will be channelled towards improving access for people with disabilities. As such, the entity intends to complete 58 accessibility infrastructure projects over the medium term. These include the construction of new office buildings for 24 departments; and 77 refurbishment projects, including at correctional centres, police stations, courts, office buildings and prisons. The execution of these projects is projected to cost R7.4 billion over the MTEF period. A further R4.5 billion has been allocated over the medium term for ad hoc building maintenance.

12. Key Risks

The Department has identified the following key risks in addition to those reflected in the Strategic Plan which can impact on the achievement of outputs, as well as risk mitigation factors.

Table C 24: Key Risks per Outcome

OUTCOME	RISK	RISK MITIGATION
A Resilient, Ethical and Capable DPWI	Ineffective implementation of governance and compliance (financial prescripts and internal control) systems and processes.	<ul style="list-style-type: none"> Implementation of the Compliance Risk Management and Governance programmes in the DPWI. Acquire a fraud detection system Promote whistleblowing as a stop gap measure Implementation of the Integrity Management Framework, Ethics function and Change Management strategy, training and awareness
		<ul style="list-style-type: none"> Implementation of the Retention Policy Training on the approved PMDS Policy Create an environment conducive for change
A Resilient, Ethical and Capable DPWI		<ul style="list-style-type: none"> Ensure working ICT EXCO by putting ICT at the EXCO agenda. Ensure that ICT projects are aligned to the organisational strategy. Show value in investing in ICT by creating projects which are going to save the Department money - show efficiency and effectiveness. Outsourcing to acquire relevant skills. Implement ICT Change Management and training.
		<ul style="list-style-type: none"> Enforce compliance with applicable prescripts Enforce implementation of audit action plans Effective consequence management Adherence to spending plans (cashflows).
Integrated Planning and Coordination	Non-alignment of service delivery objectives across the Public Works and Infrastructure Sector	<ul style="list-style-type: none"> Implementation of IDMS and new SOP's. Development and implementation of the Spatial Development framework for DPWI (Strategic Spatial Framework) For DPWI).

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OUTCOME	RISK	RISK MITIGATION
	(including public entities).	<ul style="list-style-type: none"> Facilitate Integrated Spatial Planning and coordination towards Infrastructure Master Plan. Rollout of planning system across government informed by District Based Development Model. Intensive and integrated stakeholder consultation. Infrastructure planning that is well coordinated aligned and integrated. Development of the Sector Policy Framework. Review and implement the Framework for the oversight of Public Entities. Monitor and report on the implementation of the approved sector plan.
Sustainable Infrastructure Investment	Inadequate maintenance and safeguarding of State assets.	<ul style="list-style-type: none"> Expedite completion of the Immovable Asset Register Enhancement and implementation of ERP System.
Productive Assets	Inability to optimally utilise state assets portfolio.	<ul style="list-style-type: none"> Implementation of new SOP's in respect of integrated strategic planning. Effective implementation of IDMS as a vehicle to secure capital spend to address issue of backlogs.
Productive Assets	Inability to optimally utilise state assets portfolio	<ul style="list-style-type: none"> Development of a DPWI Portfolio strategy, that includes the targeting of economic growth. Increase in property and project development, though contribution may shrink with increasing smartness. 100% expenditure of allocated budgets.
		<ul style="list-style-type: none"> Implementation of supplementary approved funding strategies.
Productive Assets	Total collapse of infrastructure	<ul style="list-style-type: none"> Identifying and isolating facilities that present the highest risk. These will be followed by plans for corrective measures and include the quantification of funding required and sources thereof.
Transformed Environment	Built Untransformed built environment disciplines, construction industry and property sector.	<ul style="list-style-type: none"> Development of a reporting and accountability mechanism to drive transformation. Review of Empowerment Strategy.

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OUTCOME	RISK	RISK MITIGATION
<p>Optimised Opportunities</p> <p>Job</p>	<p>Inadequate delivery of national Government priorities in the context of job creation.</p> <p>Job creation in the context of Public Employment Programmes not optimised.</p>	<ul style="list-style-type: none"> • Coordinating, monitoring and evaluating the implementation of the EPWP by reporting bodies. • Implement construction programmes on behalf of government clients in order to strengthen job creation efforts. • Creation of job/work opportunities through Construction programme, Facilities Management programmes, State-owned Leasing and letting Programmes. • Mainstreaming of job creation objectives in the planning design and delivery of projects. • Awareness workshops on EPWP prescripts to public bodies. • Provision of technical support to public bodies on EPWP. • Strengthen/develop relevant strategic and policy frameworks/instruments to optimise implementation of programmes with a potential for job-creation within the EPWP context (e.g communication strategy, sustainable livelihoods framework, sector guidelines, and EPWP policy). • Ensure availability of stable systems for managing the implementation, monitoring and reporting roles and responsibilities in respect of job-creation programmes.
<p>Dignified Experience</p> <p>Client</p>	<p>Inadequate service delivery leading to the erosion of the Department's mandate.</p>	<ul style="list-style-type: none"> • Skilled capacitation aligned to operational requirements. • Automation and technological advances. • Implementation of new SOP's. • Revised organisational culture
		<ul style="list-style-type: none"> • Build asset management capability to assist client departments (i.t.o GIAMA) to submit complete/ comprehensive U-AMPS and align U-AMPS and C-AMPS. • Reinforce information sessions/ client forum meetings. • Writing letters to client Departments for non-compliance. • Develop a Stakeholder Value Management Strategy. • Survey current client satisfaction levels. • Develop a model to drive customer centricity throughout the organisation.

13. Infrastructure Projects

A description of infrastructure projects which will be implemented during the medium term period is included.

Table C 25: Infrastructure Projects

NO.	PROJECT NAME	DESCRIPTION	START DATE	COMPLETION DATE	TOTAL ESTIMATED COST	CURRENT YEAR EXPENDITURE
1	Durban, Regional Office, Heritage - Old Building: Upgrading.	Durban, Regional Office, Heritage - Old Building: Upgrading.	2017/05/31	2020/05/30	243 035 523	12 291 870
2	Pretoria, Waterkloof Air Force Base, Dolomite Risk Management: Upgrading of civil engineering services.	Pretoria, Waterkloof Air Force Base, Dolomite Risk Management: Upgrading of civil engineering services.	2019/06/27	2022/06/26	179 770 563	29 114 450
3	Port Elizabeth, Eben Donges building: Alterations and refurbishment including air conditioning and mechanical installation.	Port Elizabeth, Eben Donges building: Alterations and refurbishment including air conditioning and mechanical installation.	2019/08/06	2021/08/05	143 098 761	4 640 059
4	Beit Bridge, Border Post: Maintenance and servicing of buildings, civil, mechanical and electrical infrastructure installations.	Beit Bridge, Border Post: Maintenance and servicing of buildings, civil, mechanical and electrical infrastructure installations.	2016/10/20	2020/08/17	89 880 385	14 809 442
5	Golela and Onverwacht Ports of Entry: 36 Months repair, maintenance and servicing of buildings, civil, mechanical and electrical infrastructure installations.	Golela and Onverwacht Ports of Entry: 36 Months repair, maintenance and servicing of buildings, civil, mechanical and electrical infrastructure installations.	2016/11/25	2020/05/22	71 013 418	8 920 443

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No.	PROJECT NAME	DESCRIPTION	START DATE	COMPLETION DATE	TOTAL ESTIMATED COST	CURRENT YEAR EXPENDITURE
6	Oshoek, Nerston, Waverly, Josefsdal Ports of Entry: Maintenance, servicing and repairs of buildings, civil, mechanical and electrical infrastructure and installations.	Oshoek, Nerston, Waverly, Josefsdal Ports of Entry: Maintenance, servicing and repairs of buildings, civil, mechanical and electrical infrastructure and installations.	2016/12/07	2020/07/08	70 672 649	10 774 903
7	Pretoria, Thaba Tshwane, Bulk west: Upgrading of engineering services and sinkhole repairs.	Pretoria, Thaba Tshwane, Bulk west: Upgrading of engineering services and sinkhole repairs.	2018/08/30	2020/08/28	47 901 258	8 912 595
8	Platjan, Border Post: Maintenance and servicing of buildings, civil, mechanical, electrical infrastructure and installation.	Platjan, Border Post: Maintenance and servicing of buildings, civil, mechanical, electrical infrastructure and installation.	2016/12/21	2020/07/20	43 791 356	7 631 656
9	Mahamba, Border Post: Maintenance, servicing and repairs of buildings, civil mechanical and electrical infrastructure and installations.	Mahamba, Border Post: Maintenance, servicing and repairs of buildings, civil mechanical and electrical infrastructure and installations.	2018/02/05	2021/02/04	41 218 876	10 011 083
10	Maseru Bridge, Border Post: Maintenance, servicing and repairs of buildings, civil, mechanical and electrical infrastructure and installations.	Maseru Bridge, Border Post: Maintenance, servicing and repairs of buildings, civil, mechanical and electrical infrastructure and installations.	2017/01/23	2020/04/22	38 237 842	6 139 241

Infrastructure projects in construction - Refurbishment (Top 10)

Table C 26: Infrastructure projects in construction - Refurbishment (Top 10)

No.	CLIENT DEPARTMENT	PROJECT NAME	DESCRIPTION	START DATE	COMPLETION DATE	TOTAL ESTIMATE COST	CURRENT YEAR EXPENDITURE
1	Public Works	Pretoria, Justice College: Upgrading and refurbishment.	Pretoria, Justice College: Upgrading and refurbishment.	2019/03/18	2021/09/17	300 560 088	41 863 592
2	Correctional Services	Potchefstroom, Prison: Total repair and renovation to the prison.	Potchefstroom, Prison: Total repair and renovation to the prison.	2018/11/25	2021/11/26	181 330 837	17 069 884
3	Justice and Constitutional Development	Umlazi, Repairs and renovations to office building.	Umlazi, Repairs and renovations to office building.	2016/09/30	2021/01/18	109 994 245	16 110 940
4	Public Works	Polokwane, Magistrate's Office: Reconstruction of offices, replacement of generator, fire equipment, air conditioners, damaged by fire.	Polokwane, Magistrate's Office: Reconstruction of offices, replacement of generator, fire equipment, air conditioners, damaged by fire.	2019/10/17	2021/10/15	109 490 265	5 098 918
5	Public Works	Pretoria: Maintenance, modernisation and repair of lifts in various government buildings.	Pretoria: Maintenance, modernisation and repair of lifts in various government buildings.	2019/10/25	2022/10/24	83 210 089	3 191 468
6	Public Works	Johannesburg, Central, 49 Fennel street Workshop: Refurbishment for ICT disaster recovery plan.	Johannesburg, Central, 49 Fennel street Workshop: Refurbishment for ICT disaster recovery plan.	2019/08/29	2021/02/28	64 202 827	1 623 219

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No.	CLIENT DEPARTMENT	PROJECT NAME	DESCRIPTION	START DATE	COMPLETION DATE	TOTAL ESTIMATE COST	CURRENT YEAR EXPENDITURE
7	SA Police Service	Parow, Forensic Laboratory: Integrated facilities management services.	Parow, Forensic Laboratory: Integrated facilities management services.	2017/11/20	2022/11/19	62 998 791	11 311 799
8	Public Works	Pretoria, Central: Maintenance of lifts at various buildings in Pretoria and surrounding areas.	Pretoria, Central: Maintenance of lifts at various buildings in Pretoria and surrounding areas.	2019/10/25	2022/10/24	57 499 097	3 520 773
9	SA Police Service	Brits, Police Station: Repairs and renovations of the police station.	Brits, Police Station: Repairs and renovations of the police station.	2018/12/05	2021/06/04	54 763 219	7 874 679
10	Public Works	Ladysmith (KZN), Government Garage: Rehabilitation of 8 Mill street building for SAPS.	Ladysmith (KZN), Government Garage: Rehabilitation of 8 Mill street building for SAPS.	2019/08/16	2020/12/16	31 330 004	1 838 300

Infrastructure projects in construction - Maintenance and Repair (Top 10)

Table C 27: Infrastructure projects in construction - Maintenance and Repair (Top 10)

No.	CLIENT DEPARTMENT	PROJECT NAME	DESCRIPTION	START DATE	COMPLETION DATE	TOTAL ESTIMATE COST	CURRENT YEAR EXPENDITURE
1	DPW – Prestige	Pretoria: Facilities management for Presidency in Pretoria.	Pretoria: Facilities management for Presidency in Pretoria.	2018/11/15	2023/11/15	1 270 434 956	200 315 137
2	SA Police Service	Welkom, Police Station, Jan Hofmeyer road: Repair and maintenance to electrical, civil, mechanical and structural Infrastructure.	Welkom, Police Station, Jan Hofmeyer road: Repair and maintenance to electrical, civil, mechanical and structural Infrastructure.	2018/12/05	2021/12/04	82 991 076	49 100 000
3	Correctional Services	Boksburg, Prison: Repair and maintenance of electrical and mechanical installations.	Boksburg, Prison: Repair and maintenance of electrical and mechanical installations.	2019/04/15	2021/04/14	93 002 152	39 247 975
4	Correctional Services	Krugersdorp, Prison, Krugersdorp group 4 prison: Repair and maintenance of electrical and mechanical installations.	Krugersdorp, Prison, Krugersdorp group 4 prison: Repair and maintenance of electrical and mechanical installations.	2019/04/15	2021/04/14	76 809 758	37 677 768
5	SA Police Service	Pretoria: Repairs and maintenance of roof and stabilising of foundation for Salvokop radio tech unit official quarters.	Pretoria: Repairs and maintenance of roof and stabilising of foundation for Salvokop radio tech unit official quarters.	2019/05/13	2021/05/12	58 801 631	15 568 979

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No.	CLIENT DEPARTMENT	PROJECT NAME	DESCRIPTION	START DATE	COMPLETION DATE	TOTAL ESTIMATE COST	CURRENT YEAR EXPENDITURE
6	SA Police Service	Port Alfred, Police complex, Repairs and maintenance to electrical, mechanical, civil and structural elements of the complex.	Port Alfred, Police complex, Repairs and maintenance to electrical, mechanical, civil and structural elements of the complex.	2019/10/30	2021/10/29	57 519 369	1 092 986
7	SA Police Service	Port Elizabeth, Kwazakhele, Police Complex: Condition base maintenance on civil, electrical and structural elements of the station and official quarters.	Port Elizabeth, Kwazakhele, Police Complex: Condition base maintenance on civil, electrical and structural elements of the station and official quarters.	2019/10/30	2022/03/29	43 307 152	743 608
8	Correctional Services	Deneysville, Green Point Farm Prison: Maintenance and operations of water and sewerage works.	Deneysville, Green Point Farm Prison: Maintenance and operations of water and sewerage works.	2018/12/05	2020/12/04	40 703 720	12 572 806
9	SA Police Service	Standerton, Police Station: Repairs and maintenance of station and official quarters - electrical, civil and structural elements.	Standerton, Police Station: Repairs and maintenance of station and official quarters - electrical, civil and structural elements.	2016/08/17	2020/04/29	37 055 768	2 915 900
10	SA Police Service	King William's Town, Zwelitsha, SAPS Complex Farm 44: Repairs and maintenance of electrical, civil, mechanical & structural elements of the complex.	King William's Town, Zwelitsha, SAPS Complex Farm 44: Repairs and maintenance of electrical, civil, mechanical & structural elements of the complex.	2019/09/26	2020/12/25	34 493 413	2 296 421

Infrastructure projects in construction - Capital Works - Client Departments (Top 10)

Table C 28: Infrastructure projects in construction - Capital Works - Client Departments (Top 10)

No.	CLIENT DEPARTMENT	PROJECT NAME	DESCRIPTION	START DATE	COMPLETION DATE	TOTAL ESTIMATE COST	CURRENT YEAR EXPENDITURE
1	Correctional Services	Parys, Prison: Upgrading and additions.	Parys, Prison: Upgrading and additions.	2018/12/07	2021/11/06	266 553 000	68 792 520
2	Correctional Services	Pretoria, Baviaanspoort, Emthonjeni Youth Centre: Repair and upgrade to security installation, electrical installation, building, steam installation and wet services.	Pretoria, Baviaanspoort, Emthonjeni Youth Centre: Repair and upgrade to security installation, electrical installation, building, steam installation and wet services.	2017/10/12	2020/10/11	194 371 000	44 091 946
3	SA Police Service	Emanguzi, Project Vyfster: Upgrading of cells & C.S.C.	Emanguzi, Project Vyfster: Upgrading of cells & C.S.C.	2016/08/01	2020/03/11	146 784 637	27 047 307
4	Defence	Polokwane, Military Base, ASB Polokwane: Karee Base: Rehabilitation of whole base.	Polokwane, Military Base, ASB Polokwane: Karee Base: Rehabilitation of whole base.	2019/11/05	2022/11/04	127 567 254	9 943 967
5	SA Police Service	Bolobedu, Police Station: Upgrade of police station and construction of 8 additional offices.	Bolobedu, Police Station: Upgrade of police station and construction of 8 additional offices.	2018/05/18	2020/05/17	125 145 240	16 711 799
6	SA Police Service	Queenstown, Police Station: Upgrading and newly build accommodation including complete repairs and renovations to station complex.	Queenstown, Police Station: Upgrading and newly build accommodation including complete repairs and renovations to station complex.	2019/02/19	2022/02/18	123 391 273	5 097 384

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No.	CLIENT DEPARTMENT	PROJECT NAME	DESCRIPTION	START DATE	COMPLETION DATE	TOTAL ESTIMATE COST	CURRENT YEAR EXPENDITURE
7	Justice and Constitutional Development	Umtata, Magistrate's Office: Additional accommodation.	Umtata, Magistrate's Office: Additional accommodation.	2018/10/25	2020/10/23	109 425 162	4 997 301
8	Correctional Services	Johannesburg, Prison: Replacement of boilers.	Johannesburg, Prison: Replacement of boilers.	2018/11/21	2020/11/20	99 846 815	46 828 177
9	Home Affairs	Lusikisiki, State buildings and housing: Demolish and rebuild office accommodation.	Lusikisiki, State buildings and housing: Demolish and rebuild office accommodation.	2018/07/11	2021/07/10	88 075 048	29 376 880
10	Defence	Pretoria, Defence Complex, JSB Garrison, Gerbera Officers mess (Thaba-Tshwane): Upgrading of kitchen equipment.	Pretoria, Defence Complex, JSB Garrison, Gerbera Officers mess (Thaba-Tshwane): Upgrading of kitchen equipment.	2019/08/07	2021/02/06	61 213 951	1 271 830

Part D: Technical Indicator Description (TID)

TIDs for each of the output indicators which are contained in the Annual Performance Plan were developed. Please see DPWI website for more information.

1. Outcome	Resilient, Ethical and Capable DPWI
1.1 SP Indicator Title	Balance Score card
Definition	A measure of the organisation's agility, ethical conduct, capability and compliant to relevant prescripts that also reflects the participation of everyone who wants to work, with improved efficiencies achieved through seamless automated processes
APP Contributing KPIs	<ul style="list-style-type: none"> 1.1 Ethics and Fraud Perception Rating 1.2 Compliance Rate 1.3 Percentage Performance Information Level 1.4 Percentage Financial Performance Level 1.5 Percentage Vacancy Rate 1.6 Designated groups in SMS level in the Department (Women and PWD) 1.7 Percentage Business Process Automation 1.8 Number of business solutions for digitization
Source of data	Reports from the Contributing KPI owners
Method of Calculation / Assessment	Aggregate of the scores of performance from the contributing KPIs to determine a Balance Score Card
APP Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Adequate and reliable information to determine close to true reflection on Balance Score Card
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative and some cumulative
Reporting Cycle	Quarterly and others Annually
Desired performance	Good to Excellent levels of Performance
Contributing Indicator Responsibility	DDG:GRC/CS/CFO

1. Outcome	Integrated Planning and Coordination
2.1 Indicator Title	National Infrastructure Plan
Definition	The Plan that will foster integrated spatial planning and focused infrastructure implementation among organs of state by establishing a single view of service delivery for inclusive economic growth and structural transformation, resulting in socio economic returns and spatial justice. This is a move towards an informed Government Planning.
APP Contributing KPIs	2.1 Number of infrastructure implementation plans Reviews 2.2 Sector Performance Reviews 4.5 Number of Revised SIPs Developed 4.6 No of implementation plans finalised for Cabinet-approved projects
Source of data	Reports from the Contributing KPI owners
Method of Calculation / Assessment	1 Simple count of Infrastructure and spatial implementation Plans reviewed 2 Simple count of sector plans 3 Simple count of SIPs Plans Developed 4 Simple count of Plans for Cabinet-approved projects finalised
Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Availability of reliable data and information, full participation of stakeholders to provide inputs to the plan
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative and some cumulative
Reporting Cycle	Quarterly and others Annually
Desired performance	Approved Infrastructure and Spatial Master Plan
Contributing Indicator Responsibility	DDG:IGC/PICC Task Team

2 Outcome	Integrated Planning and Coordination
2.2 Indicator Title	Spatial Justice
Definition	The indicator measures the extent of coverage of government services (within xx km radius and for 1000 person) across the country to address spatial imbalances in accessing government services
APP Contributing KPIs	<p>7.1 Ha released from the DPWI portfolio for development of Infrastructure programs and socio economic objectives</p> <p>7.2 Approved CAMP submitted to NT</p> <p>4.3 Number of cities identified for redesign and refurbishment as smart cities</p>
Source of data	Reports from the Contributing KPI owners
Method of Calculation / Assessment	<p>1 Count of land (HA) availed</p> <p>2 Count of CAMPs submitted</p> <p>3 Count of cities identified for redesign and refurbishment as smart cities</p>
Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Availability of reliable data and information, full participation of stakeholders to provide inputs to the plan
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative and some cumulative
Reporting Cycle	Quarterly and others Annually
Desired performance	Increased access to government services within reasonable reach for all citizens
Contributing Indicator Responsibility	DDG:REIS/CPM/PICC Task Team

3 Outcome	Dignified Client Experience
3.1 Indicator Title	Quality Service Delivery Rating
Definition	The indicator measures the quality of services rendered to clients to improve higher degrees of satisfaction
APP Contributing KPIs	5.1 Number of prestige policies approved 5.2 Number of planned state events supported with movable structures 5.3 Percentage of movable assets provided within 60 working days after approval by Prestige clients 5.4 Signed infrastructure worklists 11.4 Percentage change in level of reactive maintenance
Source of data	Reports from the Contributing KPI owners
Method of Calculation / Assessment	1. Count of standards implemented expressed as a percentage 2. Count of facilities compliant to Asset Management Legislation & Infrastructure Norms & Standards 3. Count of Private buildings meeting user department service delivery 4. Rate of turnaround times
Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Availability of reliable data and information, reasonable standards set
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative and some cumulative
Reporting Cycle	Quarterly and others Annually
Desired performance	High level of compliance to norms and standards for improved service delivery
Contributing Indicator Responsibility	DDG:FM and Prestige

4 Outcome	Transformed Built Environment
4.1 Indicator Title	Participation rate
Definition	The participation rate will be used to measure the extent of participation by designated groups and Black owned companies within the built environment using Public Works and Infrastructure Programmes. Only information from the CSD of National Treasury will be used to determine this rate
APP Contributing KPIs	9.5 Percentage of new leases awarded to black owned companies
Source of data	Reports from the Contributing KPI owners
Method of Calculation / Assessment	1. Count of Designated Groups Empowered expressed as a percentage 2. Count of Black-Owned Companies expressed as a percentage

Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Availability of reliable data and information
Disaggregation of Beneficiaries (where applicable)	Across the country
Spatial Transformation (where applicable)	Across the country
Calculation Type	Cumulative
Reporting Cycle	Quarterly and others Annually
Desired performance	High participation of designated groups and Black owned companies participating in Public Works and Infrastructure Programmes
Contributing Indicator Responsibility	DDG:REMS supported by FM/CPM and SCM

4 Outcome	Transformed Built Environment
4.2 Indicator Title	Built Environment Skills Levels (%)
Definition	The indicator measures the skills base within the built environment (Candidacy and Registered professions) with the intention to reduced Built Environment Skills Gap
APP Contributing KPIs	2.3 <i>Number of Beneficiaries participating in the DPWI's skills Pipeline Intervention Programmes</i> 2.4 <i>Percentage of Implementation of the Provincial Department of Public Works Capacity Building Programmes aligned to the Skills Pipeline Strategy</i>
Source of data	Reports from the Contributing KPI owners
Method of Calculation / Assessment	1. Simple count 2. Simple count and express as a percentage 3. Simple count and express as a percentage
Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Availability of reliable data and information
Disaggregation of Beneficiaries (where applicable)	Across the country
Spatial Transformation (where applicable)	Across the country
Calculation Type	Cumulative
Reporting Cycle	Quarterly and others Annually

Desired performance	Increased rate of registered professions among Africans, Indians and Coloureds in the built environment
Contributing Indicator Responsibility	DDG:PS supported by CBD and Councils

4 Outcome	Transformed Built Environment
4.3 Indicator Title	Legislative Support to Built Environment
Definition	The indicator measures policies, legislature, strategies and programmes that may be used to effect transformation in the Built Environment
APP Contributing KPIs	4.1 Expropriation Bill introduced in Parliament 4.2 Public Works General Laws and Repeal Bill Developed
Source of data	Reports from the Contributing KPI owners
Method of Calculation / Assessment	1. Count of Bills/Acts/Policies completed/developed in support of Transformed Built Environment
Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Availability of reliable data and information
Disaggregation of Beneficiaries (where applicable)	Across the country
Spatial Transformation (where applicable)	Across the country
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Adherence to legal prescripts and programmes/initiatives that seek to speed up transformation within the Built Environment
Contributing Indicator Responsibility	DDG: Policy

5 Outcome	Optimised Job Opportunities
5.1 Indicator Title	Number of work opportunities reported in the EPWP-RS by public bodies
Definition	Coordinate, monitor and report on the number of work opportunities captured in the EPWP-Reporting System by public bodies, in all spheres of Government aligned to the approved EPWP Phase IV Business Plan. The 5 year target of 5 million work opportunities is based on baseline funding received by public bodies from Treasury over the MTEF. A work opportunity is paid work created for an individual on an EPWP project for any period. The same person can be employed on different projects and each period of employment will be counted as a work opportunity. The EPWP Reporting System is a system developed and managed by the DPWI to collect, store and produce data on EPWP projects in the form of information needed for progress reporting. A public body is any organisation that is defined by

	legislation as a government institution; and for purposes of this document, refers to a national or provincial department or municipality or state-owned entities within these spheres of government.
APP Contributing KPIs	3.1 <i>Number of work opportunities reported in the EPWP-RS by public bodies</i>
Source of data	Reports from the Contributing KPI owners (Monthly reporting by public bodies on the EPWP Reporting System)
Method of Calculation / Assessment	Aggregate work opportunities reported/ created by public bodies Work opportunity is paid work created for an individual on an EPWP project for any period of time. The same person can be employed on different projects and each period of employment will be counted as work opportunity.
Means of verification	EPWP Annexure Report
Assumptions	<ul style="list-style-type: none"> Public bodies implementing EPWP Projects. Public bodies reporting work opportunities created through EPWP Projects into the EPWP-RS Public bodies keeping records of work opportunities reported as stipulated in EPWP Prescripts
Disaggregation of Beneficiaries (where applicable)	Across the country
Spatial Transformation (where applicable)	Across the country
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Actual performance exceeding targeted performance is desirable.
Contributing Indicator Responsibility	DDG:EPWP/CPM

4 Outcome	Optimised Job Opportunities
5.2 Indicator Title	Percentage EPWP participation among designated groups (women, youth and persons with disabilities) reported on the EPWP RS by public bodies
Definition	The indicator is measuring the number of work opportunities reported by public bodies (national departments; provincial departments, municipalities) in the EPWP-Reporting System, disaggregated into women, youth and persons with disabilities
APP Contributing KPIs	3.2 <i>Percentage EPWP participation among designated groups (women, youth and persons with disabilities) reported on the EPWP RS by public bodies</i>
Source of data	Reports from the Contributing KPI owners (Monthly reporting by public bodies on the EPWP Reporting System)
Method of Calculation / Assessment	Aggregate work opportunities reported/ created by public bodies Work opportunity is paid work created for an individual on an EPWP project for any period of time. The same person can be employed on different

	projects and each period of employment will be counted as work opportunity.
Means of verification	EPWP Annexure Report
Assumptions	<ul style="list-style-type: none"> Public bodies implementing EPWP Projects. Public bodies reporting work opportunities created through EPWP Projects into the EPWP-RS Public bodies keeping records of work opportunities reported as stipulated in EPWP Prescripts
Disaggregation of Beneficiaries (where applicable)	Across the country
Spatial Transformation (where applicable)	Across the country
Calculation Type	Cumulative (Year-End)
Reporting Cycle	Quarterly
Desired performance	Actual performance exceeding targeted performance is desirable.
Contributing Indicator Responsibility	DDG:EPWP

5 Outcome	Productive Assets
6.1 Indicator Title	Productive Asset Index
Definition	The indicator measures productivity of the DPWI Immovable Asset Portfolio against three (3) key impact areas namely: Service Delivery, Socio/Economic and Environmental Sustainability
APP Contributing KPIs	<p>8.3 Number of infrastructure projects completed within approved budget</p> <p>8.4 Number of infrastructure sites handed over for construction</p> <p>9.1 Number of private leases reduced within the security cluster</p> <p>9.2 Savings realised on identified function specific private leases</p> <p>9.3 Percentage increase in revenue generation through letting of State-owned properties (excluding harbour properties)</p> <p>9.4 Number of unutilised vacant state owned properties let out</p> <p>9.7 No. of Business Opportunities that create actual jobs</p> <p>9.8 Percentage rental change through the letting out of small harbours and state coastal properties</p> <p>10.2 Number of immovable assets physically verified to validate existence and assess condition</p> <p>10.4 Number of land parcels vested (confirmation of ownership)</p> <p>11.1 Number of condition assessments conducted on identified / prioritised properties</p> <p>11.2 Number of critical components assessed to determine the conditions of components (lifts and boilers)</p> <p>11.3 Percentage of critical components assessed to determine the conditions of components (HVAC and Gensets and Water systems)</p>
Source of data	Reports from the Contributing KPI owners
Method of Calculation	Aggregation of various productive assets measures into the Index

/ Assessment	
Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Reliable data and information
Disaggregation of Beneficiaries (where applicable)	Across the country
Spatial Transformation (where applicable)	Across the country
Calculation Type	Non-Cumulative and some cumulative
Reporting Cycle	Quarterly and others Annually
Desired performance	Actual performance exceeding targeted performance is desirable
Contributing Indicator Responsibility	DDG REIS/CPM/REMS/REIRS/FM/Small Harbours

6 Outcome	Sustainable Infrastructure Investment
7.1 Indicator Title	National Infrastructure Plan Developed (The consolidated plan will assist in the determination of the Infrastructure Investment as a percentage of GDP)
Definition	The indicator measures a Plan that will foster integrated spatial planning and focused infrastructure implementation among organs of state by establishing a single view of service delivery for inclusive economic growth and structural transformation, resulting in socio economic returns and spatial justice. The KPIs currently focus in part some of the DPWI contributing KPIs to the entire country's plan
APP Contributing KPIs	5.5 <i>Number of cities identified for redesign and refurbishment as smart cities</i> 5.6 <i>Number of new cities planned and developed by 2024</i> a. <i>Number of infrastructure projects completed</i>
Source of data	Reports from the Contributing KPI owners
Method of Calculation / Assessment	count of the plan and determination of the infrastructure investment to GDP
Means of verification	See Operational KPIs TIDs linked to the Contributing KPIs
Assumptions	Reliable data and information
Disaggregation of Beneficiaries (where applicable)	Across the country
Spatial Transformation (where applicable)	Across the country
Calculation Type	Cumulative
Reporting Cycle	Quarterly

Desired performance	Actual performance exceeding targeted performance is desirable
Contributing Indicator Responsibility	DDG:IGC/CPM/PICC Task Team

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The 2020/21 Annual Performance Plan for the Department of Public Works and Infrastructure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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