

# Annual Performance Plan

2022/23

"Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with that plan." – Tom Landry



public works  
& infrastructure

Department:  
Public Works and Infrastructure  
REPUBLIC OF SOUTH AFRICA



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# 1. Overview

## 1.1 Executive Authority Statement



*Ms Patricia De Lille, MP  
Minister of Public Works and Infrastructure*

It gives me great pleasure to present the 2022/23 Annual Performance Plan (APP) for the Department of Public Works and Infrastructure (DPWI).

Our country has faced widespread challenges over the past two financial years with the continuation of the Covid-19 Pandemic and ever increasing pressures on an already embattled economy, resulting in increased levels of unemployment and poverty.

There have been achievements in the implementation of the targets that have been set in the National Development Plan (NDP) 2030, as well as in the Department's Strategic Plan 2020-2025. With only eight years remaining in the NDP and us being more than half way in to the 6<sup>th</sup> Administration, there is, however, a need to focus our efforts on implementation coupled with an added drive in addressing unemployment, whether directly or indirectly.

The Economic Recovery and Reconstruction Plan (ERRP), launched by the President in October 2020, aims to mitigate the adverse socio-economic effects of the Pandemic and to accelerate economic recovery and growth for our country. Further, one of the primary focus areas of the ERRP is on infrastructure-led economic growth, which is the core mandate of DPWI.

This 2022/23 Annual Performance Plan (APP) outlines DPWI's planned activities for the 2022/23 financial year, contextualised by the Medium-Term Strategic Framework (MTSF). In realising the urgency for increased service delivery, I have therefore stressed the imperative of the Department to step-up its drive towards implementation, with specific reference to realising the Economic Reconstruction and Recovery Plan (ERRP). All interventions that are undertaken must tackle unemployment and poverty, in order to break the structural foundations of unemployment together with creating a cycle that supports growth.

As the Executive Authority responsible for DPWI, I hold the Accounting Officer of DPWI and his Executive Management Team accountable for the achievement of the targets set in the 2022/23 Annual Performance Plan (APP).

Further, I expect that the Department will use the seven national priorities that form the basis of the MTSF, coupled with the ten key initiatives of government that have been approved to guide implementation for the remainder of the 6<sup>th</sup> Administration, as the foundation for expedited delivery of the targets set in the DPWI 2022/23 APP.

Commencing with the 2022/23 APP, each Branch in the Department, the Property Management Trading Entity (PMTE) and Infrastructure South Africa (ISA) will ensure that their implementation is focused on realising the identified government and related ministerial priorities.

Specific emphasis needs to be placed on each Branch and on the Entities in massifying job creation in infrastructure delivery. This is not just about EPWP but ensuring that in each activity that we do there is a focus on employment creation, whether internally creating sustainable work opportunities in the public sector or through facilitating an environment for the private sector to create employment opportunities.

There will further be a focus on structural and procurement reforms in the public works and infrastructure environment, in order to facilitate increased and streamlined investment in infrastructure, the ease of doing business and partnerships with the private sector.

With the enormity of the tasks at hand, it cannot be business as usual and using the same practices. Digitalisation and modernisation in the public sector is therefore critical, especially within a service-oriented Department such as DPWI. This is relevant not only for the delivery of basic services, including electricity, water and sanitation but also in the management, maintenance and monitoring of our public assets, across the entire value chain. One of the key focus areas for the 2022/23 financial year are to ensure that the management of government's immovable assets are streamlined, fit-for-purpose and provide best value for money.

## 7 NATIONAL PRIORITIES

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

## 10 KEY INITIATIVES

1. Massify Job Creation & Infrastructure
2. Structural Reforms & Ease of Doing Business
3. Better Leveraging Public Procurement
4. Digitalisation and Modernisation
5. Food Security & Household Income
6. Basic Services, Electricity & Water and Sanitation
7. Eradicate Title Deeds Backlogs
8. Vaccinations
9. Corruption Prosecutions
10. Reduce Violent Crimes

We have now past the halfway mark of the 6<sup>th</sup> Administration and the targets set in the DPWI Strategic Plan. With this fact in mind plus with the added urgency that the impact of Covid-19 has placed on our country and our people, it is critical that from the outset of this financial year that the Department and its Entities focus on clear delivery within the policy direction in order to play the critical role in this journey of implementation and targeted service delivery for the public good that is required.

Our country is in crisis and the overarching priorities of alleviating poverty and addressing unemployment are the responsibility of us all in everything that we do.

I hereby present the Department of Public Works and Infrastructure's 2022/23 Annual Performance Plan.



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Honourable Patricia De Lille, MP  
**Minster of Public Works and Infrastructure**

## 1.2 Accounting Officer's Statement



*Mr Imtiaz Fazel  
Acting Director General:  
Department of Public Works and Infrastructure*

The 2021/22 Financial Year has been the year for transitioning to a new normal under extraordinary circumstances – a transition that is expected to continue throughout 2022/23 with new waves and variants of COVID-19 likely to continue affecting the way in which Government delivers services. During the last two years, the impact that the pandemic has had on the country's already strained economy, exacerbated by the July 2021 unrests, saw poverty and unemployment rates hitting record highs. The significant stress that this has placed on the fiscus, has led to immense cost pressures on the daily operations of Government as a whole, and negatively impacted service delivery.

Even though DPWI was not immune to the widespread challenges that the above have exposed Government to, significant gains were realised in terms of Departmental performance, responsiveness and compliance as evidenced by improvements in the Department's 2020/21 annual performance and audit outcomes. These improvements have set the foundation on which the 2022/23 Annual Performance Plan (APP) has been developed, with strategies and approaches now being directed more towards economic recovery, client centricity and the utilisation of public funds towards maximum effect. In pursuit therefore of improving delivery of services to clients and reducing the cost of doing business, the implementation of plans and initiatives aimed at addressing chronic institutional limitations and improving the way in which the Department delivers its services, have become critical strategic priorities for the 2022/23 Financial Year.

Further, within the context of the current state of the economy, Government has devised ten (10) key initiatives to guide planning for the remainder of the MTSF. These include:

1. Massify Job Creation & Infrastructure
2. Structural Reforms & Ease of Doing Business
3. Better Leveraging Public Procurement
4. Digitalisation and Modernisation
5. Food Security & Household Income
6. Basic Services, Electricity & Water and Sanitation
7. Eradicate Title Deeds Backlogs
8. Vaccinations
9. Corruption Prosecutions
10. Reduce Violent Crimes

Accordingly, this APP has been developed considering the Department's contributions towards the above as well as its contributions towards the Economic Recovery and Reconstruction Plan (ERRP) launched by the President in October 2020, which aims to mitigate the adverse socio-economic effects of the pandemic and to accelerate economic recovery and growth. According to the ERRP, Infrastructure Development must continue playing a leading role as a lever to boost aggregate demand, assist in reviving the construction industry and contribute towards employment creation.

Specific areas considered in the development of this plan include:

- **BETTER LEVERAGING PUBLIC PROCUREMENT**  
The Department will continue strengthening local procurement and the development of SMMEs and local supplier industries in order to contribute towards inclusive economic growth and job creation.
- **MASSIFY JOB CREATION & INFRASTRUCTURE**  
With Government's weakened fiscal position and reduced capital expenditure impeding the catalytic role that infrastructure development must play to stimulate economic activity, the Department, through Infrastructure South Africa (ISA), will continue implementing strategies aimed optimising investment through alternative funding mechanisms and ensuring an increase in the rate and quality of infrastructure investment. These include the Cabinet approved National Infrastructure Plan (NIP) 2050, the development of a Single Infrastructure Project Pipeline and the implementation of Strategic Integrated Projects (SIPs). Five (5) SIP programmes are implemented by the Department which include: SIP 21m: Small Harbours Development: National, SIP 25: Rural Bridges "Welisizwe" Programme SIP 28: PV and Water Savings on Government Buildings Programme SIP 29: Comprehensive Urban Management Programme and SIP 36: Salvokop Precinct.

Whilst new infrastructure is required to support growth, considerable investment is also required for the upkeep and adequate maintenance of existing infrastructure and the potential catalytic role this can play. Over the years these assets have fallen victim to a complexity of issues which have resulted in the accrual of significant and underfunded maintenance backlogs. The DPWI aims at addressing these inefficiencies through the implementation of maintenance plans aimed at reducing unscheduled maintenance incidents and associated costs, whilst preserving the condition of the portfolio.

As maintenance of public assets has been a Government-wide challenge for years, collaboration between Government and the private sector is essential where improved infrastructure benefits both sectors in performing their functions and in their social responsibilities. In pursuit of a long-term strategy in the management of Government properties, the Department working with ISA, is developing a Refurbishment Operate and Transfer Programme (ROTP), which aims at attracting capacity (capital and skills) from the private sector to assist Government to improve the condition of its facilities. As a pilot, the programme aims to focus on at least three (3) strategic facilities that require immediate intervention, after which the rolling out of the complete ROT Programme to the remainder of the high priority facilities will commence.

The Department will further continue to contribute towards the creation of work opportunities through its Rural Bridges programme, as well as the work opportunities created through the EPWP which the Department coordinates and reports on behalf of the four (4) EPWP sectors.

- **STRUCTURAL REFORMS & EASE OF DOING BUSINESS**  
With regards to the Department's regulatory role and the pivotal contribution the construction industry can play in stimulating economic activity, throughout the value chain, the Department will be driving the process of resuscitating the industry through the development of a Construction Industry Recovery Plan (CIRP). The plan will be aligned to the ERRP and the National Infrastructure Plan 2050, and include all key stakeholders (regulatory, labour and private sector) on the conceptualization of a transversal policy direction that will enable the industry to deliver on the requisite outcomes.
- **REDUCE VIOLENT CRIMES**  
Another serious challenge facing the country relates to Gender-Based Violence and Femicide (GBV-F) – a challenge that undermines the upliftment of the status of women in South Africa. Respective government departments were requested to align related outputs within their respective plans to the National Strategic Plan (NSP) on GBV-F. The Department continues to support the NSP through various programmes contributing towards prevention and rebuilding the Social Cohesion, Response, Care, Support and Healing and Economic Power pillars contained in the plan. For the 2022/23 Financial Year, the Department has committed to utilise unused government properties to provide shelter to victims of gender-based violence, as well as providing government buildings to be used for education and awareness through outdoor advertising and signage in partnership with the private sector.
- **BASIC SERVICES, ELECTRICITY & WATER AND SANITATION**  
Enabling our clients to adequately deliver services to the public, has been prioritised as crucial and involves accurately projecting demand by concretising client needs. Based on a client-centric approach, the Department's PMTE will continue prioritising improving service design to proactively respond to our clients' accommodation requirements for better efficiencies and responsiveness. To this extent, the PMTE will prioritise Customer Relationship Management in an effort to improve communication channels and the Department's service offering to client departments. Based on our clients' requirements and aligned to their service delivery strategies, the PMTE will balance the costs, opportunities and risks associated with acquisitions, development, deployment and disposal of State assets, to accordingly develop and implement informed asset management strategies.

The Department has prioritised certain areas of the business in order to improve overall performance, responsiveness and audit outcomes, specifically with regard to the management and expenditure of projects, management of unscheduled maintenance, and the management of private leases. The poor performance in these areas are mainly attributed to a culmination of various governance and systemic weaknesses, as well as deficiencies in proper asset lifecycle management, capacity, organisational culture, and historic operating and funding models. To address these challenges, the Department will continue to implement and prioritise the finalisation of the ten (10) key strategic initiatives during the 2022/23 Financial Year, aimed at advancing the organisation to achieve acceptable levels of performance, responsiveness and service delivery.



These 10 interventions include:

1. A Change Management Programme that seeks to bring about a Capable and Ethical DPWI located in the Constitutional Values and Principles of Public Administration and Batho Pele;
2. A Service Delivery Improvement Programme (SDIP) that is underpinned by Service Standards and Charters with service beneficiaries that is characterised by customer responsiveness and orientation throughout the value chain (Batho Pele);
3. A Business Process Management Programme including the implementation of the Infrastructure Delivery Management System (IDMS) and the Sustainable Infrastructure Development System (SIDS) methodology to address among others, the lack of coordination in the property management and infrastructure delivery business;
4. An Enterprise resource planning (ERP) Fast Track Programme (aligned to the aforementioned business process management programme) to advance automation and the replacement of manual systems and processes;
5. A review of the Macro Business and Delivery Model of the DPWI, and associated revision of the Structural Model of the Department (and consequently the Regional Office and Head Office Models), and associated governance and accountability arrangements;
6. An Ethics & Compliance, Infrastructure and Consequence Management Unit in the Department to guide and enforce expected standards of behaviour;
7. A Contract Management and Monitoring Capability to mitigate contract delivery risk throughout the Department;
8. An Organisation Wide Skills Assessment to determine the current skills mix and the interventions, including an expedited capacitation drive, required to optimise service delivery;
9. An Organisation-wide maturity within Strategic Planning (the ability to plan for results), Performance Monitoring (monitor and deliver results) and Risk Management (anticipate and avoid/mitigate uncertainties before they occur) in partnership with the National School of Government; and
10. The successful implementation of the above interventions converges to steer the Department towards a Clean Audit in both the Main Vote and the Property Management Trading Entity (PMTE).

The above initiatives are not new plans or projects, but are 10 areas of focus aimed at addressing 10 known areas of chronic institutional failure in order to improve the quality of services the Department renders. These principles therefore seek to embed a culture of service delivery and a performing Department, certainty about the strategic direction of the Department, stability and efficient operations and create an ethical and capable Department. The Departments deliverables in this APP will be supported by these principles.

In conclusion, the Department acknowledges that every informed decision and cost-effective transaction will contribute towards alleviating pressures on the fiscus, improve efficacies in service delivery and ultimately the wellbeing of the citizens at large. In this regard, the Department remains resolute towards improving performance in fulfilling its mandate over the remainder of the MTSF through the implementation of the plans and targets articulated in this APP.



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Mr Imtiaz Fazel  
**Acting Director General:**  
**Department of Public Works and Infrastructure**

## Official Sign-Off

It is hereby certified that this Annual Performance Plan 2022/23:

- 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 2022-2023.

### Mr I Fazel

Acting 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



## Implementation Charter

*This Implementation Charter has been signed by the Minister, Deputy Minister, acting Director General: DPWI, Head of ISA, acting Head of PMTE and all Deputy Director Generals, acting Deputy Director Generals and direct Reports, as a commitment to driving implementation. During the course of the execution of their work, each member of Executive and Senior Management is committed to ensure that the Ministerial Priorities and Priorities identified in the Cabinet Lekgotla of 27 January 2022 are realised as they and their teams deliver on the targets of the Department of Public Works and Infrastructure's Annual Performance Plan 2022-23*

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### Overview

The socio-economic situation in the country has become untenable. Confidence is down and current levels of unemployment are at the worst that they have been. With only eight years remaining to achieve out targets that have been set in the National Development Plan 2030, we need to acknowledge that we have fallen significantly short.

Underperformance is a reality. The World Economic Forum 2032 Risk Report has identified that South Africa has five major risks, namely:

1. The country is in a prolonged economic downturn
2. Unemployment has escalated resulting in the intensification of poverty
3. Failing infrastructure due to lack of maintenance as well as pressure on the existing infrastructure due to increased demand
4. Proliferation of illicit acts
5. Collapse of the State

### Unpacking the ERRP

We need to step-up on our drive towards implementation, with specific reference to the Economic Reconstruction and Recovery Plan (ERRP). All interventions that are undertaken must tackle unemployment and poverty, in order to break the structural foundations of unemployment together with creating a cycle that supports growth. This should be done with added emphasis on:

1. Accelerating structural reform, reducing red tape, to enable the State to be more agile thereby enticing the private sector to invest more. This further includes:
  - a. The relaxation of regulations to facilitate growth of SMME's
  - b. Government working in partnership with the private sector to expand employment
  - c. Interventions and possible incentives to support all sizes of firms focusing on SMME's in the informal sector
2. Need to determine what licenses and fees can be stopped in order to remove red tape and to take the funding for use elsewhere to fund aspects to improve the economy.
3. Unlock SITA to enable them to grow skills that are functional for the needs identified for our country.
4. Put systems in place for procurement compliance and undertake due diligence within the supply chain management environment.
5. Government to focus on infrastructure investment that will ignite further private sector investment. This would include bulk infrastructure.

### 10 Overarching Cabinet Lekgotla Priorities

Over and above the Department being required to ensure the realisation of the Ministerial Priorities and related Strategic Directives in the implementation of each project and

programme of the 2022/23 Annual Performance Plan (APP), there is a deliberate and committed drive to realise the overarching 10 Priorities that were highlighted in the Cabinet Lekgotla of 27 January 2022, in our implementation agenda.

Commencing with the 2022/23 APP, each Branch in the Department, PMTE and ISA will ensure that their implementation is focused on realising one or more of the identified priorities, with specific emphasis to the first five of the 10 Priorities, as highlighted. Our country is in crisis and these overarching priorities are the responsibility of us all in everything that we do.

In addition to the five highlighted Cabinet priorities, all DPWI must bear in mind that the World Economic Forum 2032 Risk Report identified the proliferation of illicit acts as one of the five major risks to South Africa. Combatting corruption is a critical responsibility of all South Africans and must continue to be a critical focus of the DPWI in our efforts to accelerate infrastructure-led economic growth.

#	CABINET LEKGOTLA PRIORITY SPECIFICALLY RELEVANT TO DPWI / ISA	#	CABINET LEKGOTLA PRIORITY
1.	<b>Massify job creation and infrastructure</b>	6.	Food security & household income
2.	<b>Structural reforms and ease of doing business</b>	7.	Eradicate title deeds backlog
3.	<b>Better leveraging public procurement</b>	8.	Vaccinations
4.	<b>Digitalisation &amp; modernisation</b>	9.	Corruption prosecutions
5.	<b>Basic services, electricity &amp; water and sanitation</b>	10.	Reduce violent crime

### DPWI's Interventions to Support 6<sup>th</sup> Administration

In support of the priorities of the 6<sup>th</sup> Administration, the DPWI is seeking to achieve the following key outcomes:

- A Resilient, Capable and Ethical DPWI,
- Integrated Planning & Co-ordination,
- Sustainable Infrastructure Investment,
- Productive Assets,
- A Transformed Built Environment,
- Optimised Job Opportunities, and
- Dignified Client Experience.

To achieve these outcomes, the DPWI has implemented ten interventions to build on the improvements in audit outcomes and improved performance of the department which has been achieved thus far. The ten interventions are:

1. **A Change Management Programme** that seeks to bring about a Capable and Ethical DPWI located in the Constitutional Values and Principles of Public Administration and Batho Pele;
2. A **Service Delivery Improvement Programme** that is underpinned by Service Standards and Charters with service beneficiaries that is characterised by customer responsiveness and orientation throughout the value chain (Batho Pele);
3. A **Business Process Management Programme** including the implementation of the Infrastructure Delivery Management System and the Sustainable Infrastructure

Development System (SIDS) methodology to address among others, the lack of coordination in the property management and infrastructure delivery business;

4. An **Enterprise Resource Planning Fast Track Programme** which is aligned to the aforementioned business process management programme to advance automation and the replacement of manual systems and processes;
5. A **review of the Macro Business and Delivery Model** of the DPWI, and associated revision of the Structural Model of the Department (and consequently the Regional Office and Head Office Models), and associated governance and accountability arrangements;
6. An **Ethics & Compliance, Infrastructure and Consequence Management Unit** in the Department to guide and enforce expected standards of behaviour;
7. A **Contract Management and Monitoring Capability** to mitigate contract delivery risk throughout the Department;
8. An **Organisation Wide Skills Assessment** to determine the current skills mix and the interventions required to optimise service delivery;
9. An **Organisation-wide maturity within Strategic Planning** (the ability to plan for results), **Performance Monitoring** (monitor and deliver results) **and Risk Management** (anticipate and avoid/mitigate uncertainties before they occur); and
10. The successful implementation of the above interventions converges to **steer the Department towards a Clean Audit** in both the Main Vote and the Property Management Trading Entity (PMTE).

## Commitment

We, as the Executive Authority of DPWI, commit to strategically guide and oversee the Department in its implementation and the realisation of the 10 Priorities and the 2022/23 DPWI Annual Performance Plan.



Ms Patricia De Lille, MP  
Minister of Public Works and Infrastructure



Ms Noxolo Kiviet, MP  
Deputy Minister of Public Works and Infrastructure

*We, as the Executive Management of the Department of Public Works and Infrastructure, commit to ensure the implementation of this Charter, for the benefit of the people of our country and to reporting regularly to the Minister and Deputy Minister on progress made.*



Mr Intiaz Fazel  
A/DG: DPWI



Dr Kgosientsho Ramokgopa  
Head: ISA



Mr Alec Moemi  
Head: PMTE

We, as the Senior Management of the Department of Public Works and Infrastructure and Infrastructure South Africa (ISA), commit to ensure the implementation of this Charter, for the benefit of the people of our country and to ensure that we report regularly on progress made.



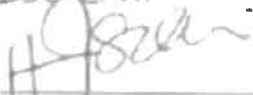
Mr Mandla Sithole  
CFO: DPWI



Ms Sasa Subban  
DDG: REIS



Ms Carmen-Joy Abrahams  
DDG: EPWP



Mr Henry Isaacs  
a/DDG: SCM



Mr Lwazi Mahlangu  
a/DDG: GRC



Mr Clive Mtshisa  
DDG: Corporate Services



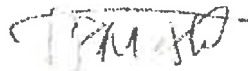
Ms Nyeleti Makhubele  
DDG: REMS



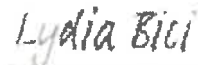
Mr Molatelo Mohwasa  
a/DDG: PRR



Ms Mameetse Masemola  
DDG: Infrastructure Investment  
Planning



Ms Rendani Mashigoane  
Chief Audit Executive



Ms Lydia Bici  
DDG: Professional Services



Mr Nkosana Kubeka  
a/DDG: PMO



Mr Batho Makhetho  
DDG: CPM



Mr Adam Mthombeni  
a/DDG: IGR



Mr Mzwandile Sazona  
CD: Prestige

## 2. Part A: Our Mandate

### 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**

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

**Table A.2: Constitutional Imperative: Areas of Compliance<sup>1</sup>**

<b>Section 9 of the Constitution</b>	Requires state immovable assets to be accessible to persons with disabilities.
<b>Section 41 of the Constitution</b>	The Department has to observe the principles of good cooperative governance and intergovernmental relations.
<b>Section 114 (2) of the Constitution</b>	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.
<b>Section 195 and Section 197 of the Constitution</b>	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.
<b>Section 217 of the Constitution</b>	Procurement must be done in accordance with a system which is fair, equitable, transparent, competitive and cost effective.

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



## Legislative and Policy Mandates

The legislative mandate of DPWI is underpinned by the following Acts as per Table A2 that the Department is directly responsible for administering and implementing, in performing its primary and secondary mandates:

**Table A.3: Legislative and Policy Mandates**

<b>KEY LEGISLATIVE MANDATES</b>	
<b>The Government Immovable Asset Management Act, 2007</b>	Aims to ensure competent immovable asset management in National and Provincial Government in order to improve service delivery.
<b>Infrastructure Development Act, 2014 (Act 23 of 2014)</b>	Aims to provide for the coordination of public infrastructure development which is of significant economic or social importance.  Further, established the various Presidential Infrastructure Coordinating Committee (PICC) structures that enable the coordination, oversight and unblocking of strategic infrastructure projects and related investment
<b>Land Affairs Board Act, 1987 (Act 101 of 1987)</b>	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.
<b>The Construction Industry Development Board Act, 2000 (Act 38 of 2000)</b>	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.
<b>The Council for the Built Environment Act, 2000 (Act 43 of 2000)</b>	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.
<b>The Professional Council Acts regulate the six Built Environment</b>	Organises the built environment professions to serve the imperatives of Government, including transformation, public protection, good governance, etc.
<b>Expropriation Act, 1975 (Act 63 of 1975)</b>	Section S12 (1): Determines the basis of the compensation amount.
<b>State Land Disposal Act, 1961 (Act 48 of 1961)</b>	Provides for the disposal of certain state land and for matters incidental thereto, and prohibits the acquisition of the state land by prescription.

## BUILT ENVIRONMENT COMPLIANCE LEGISLATIVE FRAMEWORK

<p><b>Municipal Property Rates Act, 2004 (Act 6 of 2004)</b></p>	<p>Section 48-49: Inspections of and objections to valuations on the general valuations roll.</p>
<p><b>Spatial Planning and Land Use Management, 2013 (Act 16 of 2013)</b></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><b>National Environmental Management Act, 1998 (Act 107 of 1998)</b></p>	<p>Section 4: Ensures compliance and enforcement of environmental management laws.</p>
<p><b>Integrated Coastal Management Act, 2008 (Act 24 of 2008)</b></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><b>Occupational Health and Safety Act, 1993 (Act 181 of 1993)</b></p>	<p>Section 16 (1): Compels every employer to provide environment that is safe without harm.</p>
<p><b>National Building Regulations and Building Standards Amended Act, 1989 (Act 62 of 1989)</b></p>	<p>Provides for new definitions and extending existing definitions.</p>
<p><b>National Forestry Act, 1998 (Act 30 of 1998)</b></p>	<p>Section 53: Regulates in respect of management of the protected natural state forest and obligations on the owner.</p>
<p><b>Water Services Act, 1997 (Act 108 of 1997)</b></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><b>The Critical Infrastructure Protection Act, 2019 (Act 8 of 2019)</b></p>	<p>Ensures that National Key Points are safeguarded.</p>

## ADMINISTRATIVE COMPLIANCE LEGISLATIVE FRAMEWORK

<p><b>The Public Finance Management Act, 1999 (Act 1 of 1999)</b></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><b>The Preferential Procurement Policy Framework Act, 2000</b></p>	<p>To develop and implement policies that advances preferential procurement for designated groups in order to advance economic transformation.</p>
<p><b>Public Service Act, 1994 as amended in 2007</b></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><b>Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000)</b></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><b>Employment Equity Act, 1998 (Act 55 of 1998)</b></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><b>Public Administration Management Act, 2014</b></p>	<p>The objects of this Act are to:</p> <ul style="list-style-type: none"> <li>• Promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution;</li> <li>• Provide for the transfer and secondment of employees in the public administration;</li> <li>• Regulate conducting business with the State;</li> <li>• Provide for capacity development and training; to provide for the establishment of the National School of Government;</li> <li>• Provide for the use of information and communication technologies in the public administration;</li> <li>• Establish the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit;</li> <li>• Provide for the Minister to set minimum norms and standards for public administration;</li> <li>• Establish the Office of Standards and Compliance to ensure compliance with minimum norms and standards;</li> <li>• Empower the Minister to make regulations; and</li> <li>• Provide for related matters.</li> </ul>
<p><b>Basic Conditions of Employment Act, 1997 (Act 75 of 1997)</b></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><b>The Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)</b></p>	<p>As these relate to the Property Sector and, in particular but without limitation, inter alia, to:</p> <ul style="list-style-type: none"> <li>• promote economic transformation in the Property Sector to enable meaningful participation of black people and women;</li> <li>• unlock obstacles to property ownership and participation in the property market by black people;</li> <li>• promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and</li> <li>• facilitates the accessibility of finance for property ownership and property development</li> </ul> <p>Section 1, Section 6 and Section 13: To ensure that B-BBEE requirements are adhered to within the SCM</p>

<b>Skills Development Act, 1998 (Act 97 of 1998)</b>	The Skills Development Act aims to expand the knowledge and competencies of the labour force in order to improve productivity and employment.
<b>Labour Relations Act, 1995 as amended (Act 66 of 1995)</b>	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.
<b>Protected Disclosure Act, 2000 (Act 26 of 2000)</b>	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.
<b>The Promotion of Access to Information Act, 2000 (Act 2 of 2000)</b>	To ensure availability of records in accordance with PAIA.
<b>The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)</b>	To establish fair administrative processes to ensure those affected by the administrative decisions have necessary recourse.
<b>The National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996)</b>	Section 13.5: To provide systems, policies and procedures for proper management, care, preservation and use of departmental records.

#### **POLICIES AND STRATEGIES SUPPORTING THE MANDATE**

<b>DPW White Paper: Public Works, Towards the 21st Century (1997) [White Paper (1997)]</b>	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.
<b>DPW White Paper: Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999 [White Paper (1997)]</b>	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.

<p><b>Construction Sector Transformation Charter, 2006 (Charter 2006)</b></p>	<p>The Charter 2006, <i>inter alia</i>, aims to:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Expand the employment potential and absorption capacity of the sector by using labour-intensive approaches where, economically feasible and possible; and</li> <li>• 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.</li> </ul>
<p><b>Property Sector Transformation Charter, 2007 (Charter 2007)</b></p>	<p>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, <i>inter alia</i>, to:</p> <ul style="list-style-type: none"> <li>• Promote economic transformation in the Property Sector to enable meaningful participation of black people and women;</li> <li>• Unlock obstacles to property ownership and participation in the property market by black</li> <li>• Promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and</li> <li>• Facilitate the accessibility of finance for property ownership and property development.</li> </ul>
<p><b>Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007 (PMS BBBEE 2007)</b></p>	<p>The objective of the PMS BBBEE 2007 is to:</p> <ul style="list-style-type: none"> <li>• Address skewed property and equity ownership in the property industry in the country; and</li> <li>• Promote black participation in the property industry through management, control and procurement.</li> </ul>
<p><b>Green Building Framework, 2001</b></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>

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

Emanating from DPWI's strategic planning process, the following pieces of legislation, policies and strategies were identified as per Table A3 as critical interventions that would assist the Department in realizing 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**

<b>IDENTIFIED INSTITUTIONAL LEGISLATION</b>	
<b>Legislation</b>	
<ul style="list-style-type: none"> <li>• The introduction of the Expropriation Bill to Parliament and its enactment.</li> <li>• Development of the Public Works General Laws and Repeal Bill<sup>2</sup></li> <li>• Amendment of the Construction Industry Development Board Act, 2000 (Act 38 of 2000)</li> <li>• Drafting of the Public Works and Infrastructure Bill<sup>3</sup></li> <li>• Formulation and approval of the Regulations for the Infrastructure Development Act, 2014 (Act 23 of 2014)</li> <li>• Amendment to the Infrastructure Development Act, 2014 (Act 23 of 2014)</li> </ul>	
<b>POLICIES AND STRATEGIES</b>	
DPWI Outcome/s	Identified Institutional Policies/Strategies
<p><b>A Resilient, Ethical and Capable DPWI</b></p>	<ul style="list-style-type: none"> <li>• Implementation of the 6 pillars of the <b>National anti-corruption strategy</b> (NACS.)</li> <li>• <b>Organisational and Employee Performance Management Strategy</b> – alignment and cascading of Strategy, Annual Performance and Operational Plans with an automated performance management system.</li> <li>• Retention of core competencies and requisite experience through the <b>Retention Policy</b>.</li> <li>• <b>Digital Transformation Strategy</b> - enable strategy through technology, including e-gov.</li> <li>• <b>Organisation-wide ICT Change Management Strategy</b> – to enhance organisational techno savvy capacity</li> </ul>

<sup>2</sup> The Intention of the Bill is to repeal outdated, redundant and obsolete pieces of legislation relevant to the Public Works and Infrastructure mandate.

<sup>3</sup> This drafting will be based 1997 and 1999 Public Works White Papers cited above under "Policies and Strategies supporting the Mandate".

<p><b>Integrated Planning and Co-ordination</b></p>	<ul style="list-style-type: none"> <li>• Implementation of an effective DPWI <b>Sector-wide Monitoring and Evaluation Strategy</b> and an automated performance reporting system.</li> <li>• Develop and implement a <b>Stakeholder Value Management Strategy</b> (to coordinate external stakeholders outside the sector).</li> <li>• Continue the implementation of the <b>urban regeneration precinct planning</b>, with Salvokop being the lead project and test case.</li> <li>• Expedite the <b>3 smart cities programme</b></li> <li>• Programme manage the <b>New City Initiative</b> starting with the development of a brief for the Master plan.</li> </ul>
<p><b>Sustainable Infrastructure Investment</b></p>	<ul style="list-style-type: none"> <li>• Review and roll-out of the <b>Infrastructure Delivery Management System (IDMS)</b>.<sup>4</sup></li> <li>• Develop an <b>Infrastructure Investment Strategy</b> based on research into international best practices and lessons learned.</li> <li>• <b>Infrastructure Development Strategy and Plan</b> in terms of the Infrastructure Development Act to enable targeted, demand-driven infrastructure development and investment across the lifecycle.</li> <li>• In terms of the Infrastructure Development Act, formulation of the <b>30-40 year National Infrastructure Plan</b>, informed by the National Spatial Development Framework and the District Development Model. Review of the <b>Strategic Infrastructure Projects (SIPs)</b>, Cabinet approved projects and other projects in terms of the new inclusive DPWI mandate.</li> <li>• Develop and Implement a <b>Project Performance and Monitoring System</b> (Investment in Construction- related Technology).</li> <li>• <b>Infrastructure Modular Strategy and costed Design Manual</b> for all public facilities.</li> <li>• <b>Upscale the rural bridges programme</b> and ensure implementation so as to link communities and prevent drowning of children crossing rivers.</li> </ul>

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



## Productive Assets

- 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.
- **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 derive 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 on devising strategies and initiating plans to extract maximum value-for-money from the property portfolio by *arresting exorbitant expenditure and quantifying potential savings*.
- **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><b>Optimised Job Opportunities</b></p>	<ul style="list-style-type: none"> <li>Review and implement the <b>Procurement Framework</b> for the property and construction industry.</li> <li>Restructuring of the Expanded Public Works Programme (EPWP), <b>EPWP Coordination Strategy</b> to be developed to guide how DPWI monitors, evaluates &amp; reports on EPWP performance by implementing bodies across the country. Ensures functionality of coordination mechanisms, and direct the process of developing the 5-year implementation Plan.</li> </ul>
<p><b>Transformed Built Environment</b></p>	<ul style="list-style-type: none"> <li>In order to <b>address the Spatial Transformation Agenda</b>, establishment of a joint working committee between the Department and other National, Provincial and Local Departments responsible for <b>Land Reform and Human Settlements</b>, for the purpose of <b>Land Release</b> under the custodian of the Department.</li> <li><b>Built Environment Professions Development Strategy</b> 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</li> <li>Revise and implement transformative <b>SCM Prescripts and Procurement Policy</b>.</li> <li>Review, implement and monitor the <b>Contractor Development Programme</b>, including ring-fenced projects, in partnership with the CIDB.</li> <li><b>Aggressive implementation of Contractor Development/ Incubator Programme</b> in the procurement of Capital Projects and Built Environment Professional Services at design &amp; execution stage of construction/maintenance projects in conjunction with 2017 Preferential Procurement Regs, in partnership with the CIDB.</li> <li><b>Aggressive Implementation of Property Management Empowerment Policy</b> on property related services (i.e. Facilities Management-hard/planned (maintenance) &amp; soft services, leasing, property brokering, etc., in conjunction with 2017 Preferential Procurement Regs.</li> </ul>
<p><b>Dignified Client Experience</b></p>	<ul style="list-style-type: none"> <li>Develop and implement a <b>Stakeholder Value Management Strategy</b> to enhance departmental clients' satisfaction.</li> <li>Improve <b>Business Processes, Standard Operating Procedures (SoPs) and Service Delivery Standards</b> inline with Batho Pele Principles.</li> </ul>

## 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 A5:

**Table A5: DPWI Outcomes Alignment to the MTSF**

Impact (ultimate result)	DPWI Outcomes	MTSF Priority	MTSF Outcome
<b>Infrastructure-led Economic Growth</b>	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.
<b>Infrastructure-led Economic Growth</b>	Productive Assets Sustainable Infrastructure Investment	Priority 2: Economic transformation and job creation	Inclusive economic growth.
<b>Infrastructure-led Economic Growth</b>	Sustainable Infrastructure Investment	Priority 7: A better Africa and world	Increased investment opportunities for foreign direct investment in the South
<b>Infrastructure-led Economic Growth</b>	Integrated Planning and Coordination	Priority 5: Spatial integration, human Settlements and	Reduced vulnerability of key sectors to climate change. Reduction of total GHG emissions in South Africa.
<b>Infrastructure-led Economic Growth</b>	Integrated Planning and Coordination	Priority 5: Spatial integration, human Settlements and	Reduced waste disposal by landfill and improved state of ecology.
<b>Infrastructure-led Economic Growth</b>	Optimised Job Opportunities	Priority 2: Economic transformation and job creation	Creating more decent jobs.
<b>Infrastructure-led Economic Growth</b>	Transformed Built Environment	Priority 2: Economic transformation and job creation	Increased ownership and participation by historically disadvantaged individuals.
<b>Infrastructure-led Economic Growth</b>	Transformed Built Environment	Priority 2: Economic transformation and job creation	Competitive and accessible markets through reduced share of dominant firms in
<b>Infrastructure-led Economic Growth</b>	Transformed Built Environment	Priority Cross Cutting: Economic transformation and job creation	Zero discrimination based on gender.
<b>Infrastructure-led Economic</b>	Transformed Built Environment	Priority 3: Education, skills	Improved education, training and innovation.
<b>Infrastructure-led Economic</b>	Transformed Built Environment	Priority 3: Education, skills	Improved employability of youth through skills training.
<b>Infrastructure-led Economic Growth</b>	Resilient, Ethical and Capable DPWI	Priority 1: A capable, ethical and developmental state	Integrated government and social compact with the citizenry.

Impact (ultimate result)	DPWI Outcomes	MTSF Priority	MTSF Outcome
<b>Infrastructure-led Economic Growth</b>	Resilient, Ethical and Capable DPWI	Priority 1: A capable, ethical and developmental state	Ethical, efficient operations and effective accountability mechanisms.
<b>Infrastructure-led Economic Growth</b>	Sustainable Infrastructure Investment	Priority 7: A better Africa and world	Increased investment opportunities for foreign direct investment in the South African economy.

## Implementing the Ministerial Priorities

Table A6, together with Annexure B of the 2022/23 APP identify the National Annual Strategic Plan (NASP) key initiatives and how the DPWI, where applicable to its mandate, there are related actions correlated either directly in the APP or in the Operational Plans. These 10 NASP key initiatives also add value to the Minister's priorities for the Department. The following 10 Key Initiatives have been approved by Cabinet for implementation for the remainder of the 6<sup>th</sup> Administration commencing in the 2022/23 financial year:

- Massify job creation and infrastructure
- Structural reforms and ease of doing business
- Better leveraging public procurement
- Digitalisation & modernisation
- Food security & household income
- Basic services, electricity & water and sanitation
- Eradicate title deeds backlog
- Vaccinations
- Corruption prosecutions
- Reduce violent crime

Section C of this 2022/23 APP details some of the initiatives that contribute directly to the relevant NASP priorities. In some instances, the DPWI supports government initiatives by working with other departments that have a direct contribution to the priorities.

**Table A6: Implementing the Ministerial Priorities**

Minister's Priority Area	NASP Priorities (Direct and/or Indirect)	Priorities/ Strategies to implement Ministerial Directives
<b>Spatial transformation and social justice</b>	<ul style="list-style-type: none"> <li>• Massify job creation and infrastructure</li> <li>• Structural reforms and ease of doing business</li> <li>• Better leveraging public procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and development of the New City initiative, plus precincts plans developed for the three government precincts that will facilitate the principles and practices of spatial transformation, urban efficiencies and the deployment of smart, green technologies.</li> <li>• The strategic use of public land and buildings through innovative social and economic partnerships, to give effect to</li> </ul>

Minister's Priority Area	NASP Priorities (Direct and/or Indirect)	Priorities/ Strategies to implement Ministerial Directives
	<ul style="list-style-type: none"> <li>• Basic services, electricity &amp; water and sanitation</li> <li>• Digitalisation &amp; modernisation</li> </ul>	<p>social justice, poverty alleviation and transformation of the built environment.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Land release to support land reform programme in anintegrated, spatially just manner.</li> <li>• Through integrated planning, small towns and rural areas canbecome viable and attractive spaces for households, businesses and institutions.</li> <li>• Assets that, in terms of GIAMA are surplus to the requirements of the State and can be put to use for the public good and facilitate spatial transformation, through letting, redevelopment and/or disposal to ensure portfolio vacancy is at minimum.</li> <li>• 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.</li> </ul>
<p><b>Dignified client experience</b></p>	<ul style="list-style-type: none"> <li>• Digitalisation &amp; modernisation</li> <li>• Basic services, electricity &amp; water and sanitation</li> <li>• Massify job creation and infrastructure</li> <li>• Structural reforms and ease of doing business</li> </ul>	<ul style="list-style-type: none"> <li>• Service delivery to be reoriented towards redefining the dimensions of the Client (client department, user client &amp; recipient) <ul style="list-style-type: none"> <li>• Streamlined procurement processes</li> <li>• Contract management systems, processes and policy</li> <li>• Ensure that DPWI is able to deliver quality services for clients and that constraints are unblocked.</li> </ul> </li> <li>• A service delivery value chain is also essential to ensure quality, quantity and the focused addressing of identified needs.</li> <li>• Value for money within the infrastructure lifecycle.</li> </ul>

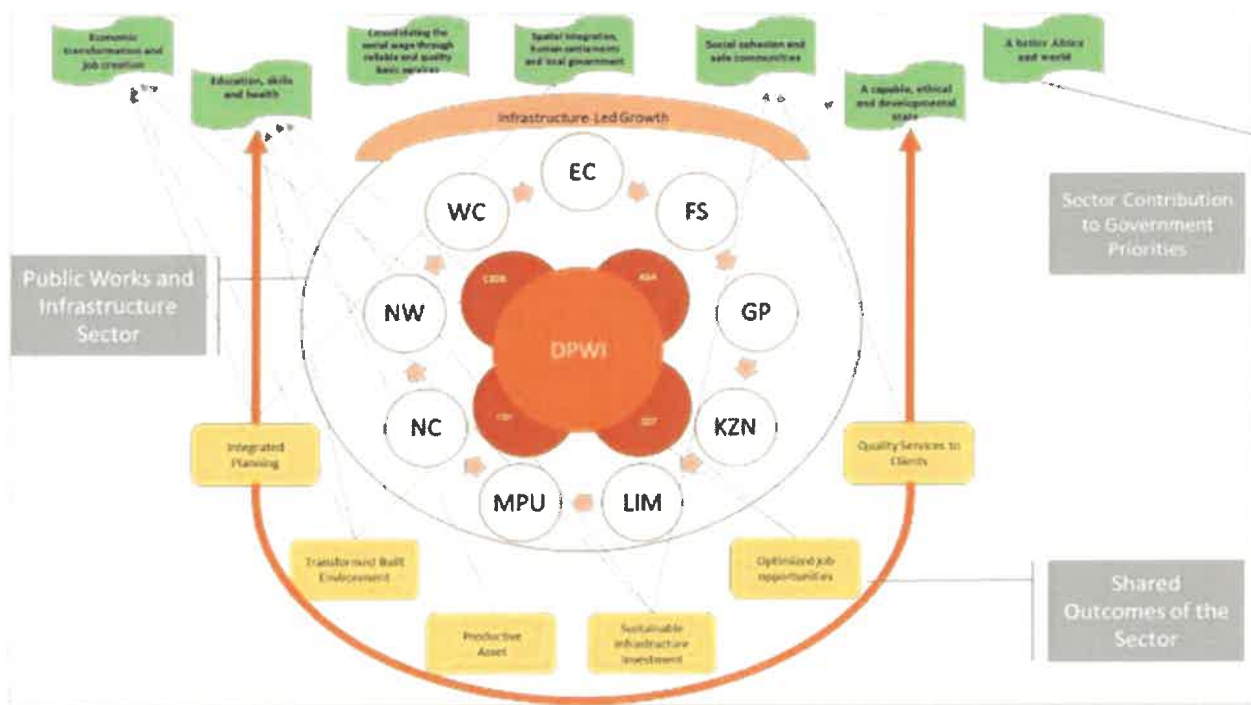
Minister's Priority Area	NASP Priorities (Direct and/or Indirect)	Priorities/ Strategies to implement Ministerial Directives
	<ul style="list-style-type: none"> <li>Better leveraging public procurement</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance Backlogs to be addressed to provide our Clients the dignified experience they deserve.</li> <li>Determination of costed modular design of public infrastructure and facilities across the lifecycle. (Frequently designed Public Assets Model – PMTE to work with ISA to enable this Programme to be expedited)</li> <li>Ensure that the Strategic Integrated Projects (SIPs) as gazetted are expedited in accordance with the parameters of the Infrastructure Development Act, No 23 of 2014.</li> </ul>
<b>Economic transformation and job creation</b>	<ul style="list-style-type: none"> <li>Massify job creation and infrastructure</li> <li>Structural reforms and ease of doing business</li> <li>Better leveraging public procurement</li> </ul>	<ul style="list-style-type: none"> <li>DPWI and its Public Entities projects and programmes will be refocused towards achieving infrastructure-led economic growth.</li> <li>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.</li> <li>Establishing an empowerment programme in infrastructure maintenance for women, youth and for persons with disabilities.</li> <li>Planning for productive infrastructure investment and development of accommodation solutions that addresses economic transformation and job creation.</li> <li>Ensure that all of the infrastructure grants have implementable, functional criteria that focus on achieving universal access.</li> </ul>

Minister's Priority Area	NASP Priorities (Direct and/or Indirect)	Priorities/ Strategies to implement Ministerial Directives
<p><b>Accelerated infrastructure investment for economic growth</b></p>	<ul style="list-style-type: none"> <li>• Massify job creation and infrastructure</li> <li>• Structural reforms and ease of doing business</li> <li>• Better leveraging public procurement</li> <li>• Corruption prosecutions</li> </ul>	<ul style="list-style-type: none"> <li>• In terms of the Infrastructure Development Act, begin implementing the National Infrastructure Plan (NIP) 2050 Phase 1.</li> <li>• Complete the National Infrastructure Plan (NIP) 2050 Phase 2.</li> <li>• Work in partnership with the private sector on infrastructure investment that will facilitate spatial integration and economic regeneration.</li> <li>• Ensure that ISA develops the strategic direction for infrastructure pipeline planning, bankability, oversight and investment.</li> <li>• Perform the oversight role for infrastructure development implementation and investment, including oversight of the Infrastructure Fund and the Budget Facility for Infrastructure.</li> <li>• Rollout the PV Programme on all government buildings.</li> <li>• Upscale the rural bridges programme and expedite implementation.</li> <li>• Ensure that all DPWI Construction and Maintenance Projects are aligned to the relevant 10 Key Initiatives, that they massify job creation and that their implementation is expedited.</li> <li>• Gazette the IDA Regulations.</li> <li>• Ensure that the implementation of the SIPs are expedited, in accordance with the provisions of the IDA.</li> </ul>

## 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 A2.

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. The development of these plans (Customised KPIs) is dependent on all Provincial department agreeing to common KPIs.

The entities are implementation arms of the Department. The entities are aligned to the outcomes of the Department and deliver based on their mandate. The performance of the entities are presented to the Department on quarterly basis.

## 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 A7: Direct links to any other plans (relevant to the mandate)**

<b>DIRECT LINKS TO ANY OTHER PLAN (RELEVANT TO THE MANDATE)</b>	
<b>Relevant initiatives to the mandate</b>	<b>Priority/ Strategic Linkage</b>
<b>Job Creation</b>	The Department's programmes and projects will support the job creation initiatives of government.
<b>Gender-Based Violence and Femicide</b>	The Department's programmes and projects will support the fight against Gender-Based Violence and Femicide.
<b>Accelerated Public Infrastructure Investment</b>	<ul style="list-style-type: none"> <li>The Department programmes and projects will be structured to accelerate Infrastructure investment by leveraging the seed fund over the 5-year period.</li> <li>Effective government-wide socio-economic infrastructure investment coordination.</li> </ul>
<b>Outcomes of the Presidential Jobs Summit</b>	Identify and provide suitable land supporting land reform programmes and sustainable human settlements; and implement labour intensive projects.
<b>Economic Recovery and Reconstruction Plan (ERRP)</b>	The Department's programmes and projects will support the Economic Recovery and Reconstruction Plan (ERRP) initiatives of government.
<b>National Annual Strategic Plan (NASP)</b>	The Department's programmes and projects will support the National Annual Strategic Plan (NASP) of government.

### Relevant Court Rulings

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

**Table A8: Relevant Court Rulings**

<b>Case Number: 200/2019</b>	
<b>Applicant:</b>	Staufen Investment (Pty) Ltd
<b>Respondent:</b>	Minister of Public Works and others
<b>Mini Summary:</b>	Application to Review and set aside a decision of the Minister of Public Works, to expropriate a piece of Land in favour of Eskom Holdings Soc Ltd. Applicant argued that the Minister only considered the financial implication the removal of the electrical substation from the private owners land will be. The Respondent argued that removing the substation to merely place it on adjacent farm is not in public interest, as it will result in a black-out over a considerable period, to the community that is currently being serviced by the sub-station. Also argued that the Minister understood his powers and duly exercised such powers. Judgment was granted in favour of the Respondent.

Judgment:	The following order was granted: <ul style="list-style-type: none"> <li>• The application to review the decision to expropriate was dismissed;</li> <li>• Applicant was ordered to pay 80% of the costs of application, as well as costs of counsel.</li> </ul>
Remedial Action (policy/strategy) to reduce or avoid recurrence):	Expropriation business processes to be reviewed and aligned, pending finalization of amendment of S25 of Constitution.
<b>Case Number: EL 738/2020</b>	
Applicant:	Simphiwe Fani and 77 Others
Respondent:	Minister of Public Works & Another
Mini Summary:	<p>The Respondent, with the assistance of the sheriff and SAPS demolished incomplete and unoccupied structures illegally erected on its premises, in terms of an order granted during 2017. The Applicants alleged they were residing in the structures and that the Respondent evicted them during National Lockdown Level 3, which prohibited such action. The Respondent however argued that an assessment was done prior to any structure being demolished, but the judge was of the view that such assessment was not conclusive proof that the premises was not occupied.</p> <p>In addition to this, the judge held that although the previous order allowed the Respondent to dismantle or demolish structures, such dismantling or demolition amounts to an eviction. Judgment was granted in favour of the Applicants.</p> <p>The Respondent however applied for leave to Appeal and same was granted.</p>
Judgment:	<p>DPWI was ordered as follows:</p> <ul style="list-style-type: none"> <li>• To provide accommodation, albeit temporary, of such a nature as can be dismantles at later stage;</li> <li>• To return goods that were spoiled;</li> <li>• Issue of compensation postponed <i>sine die</i>;</li> <li>• To pay the cost of the application.</li> </ul>
Remedial Action (policy/strategy) to reduce or avoid recurrence):	DPWI to identify and safeguard unoccupied land, so as to prevent illegal invasions.
<b>Case Number: SCA CASE NUMBER 779/2019</b>	
Applicant:	Minister of Public Works
Respondent:	Roux Property Fund (Pty) Ltd

<p>Mini Summary:</p>	<p>The issue in this appeal is whether the failure by the respondent to have timeously given notice to the appellant in terms of s 3(2) of the Legal Proceedings Against Certain Organs of State Act 40 of 2002 ("the Act") ought to have been condoned by the court a quo in terms of s 3(4) of the Act.</p> <p>The notice was given in respect of an action instituted by the respondent against the Minister in which respondent claimed damages in the amount of R340 million arising from the alleged breach by the National Department of Public Works ("DPW") of a written lease agreement concluded between the respondent and the DPW.</p> <p>The Minister of Public Works (the Minister) acts in his capacity as a member of the Executive of the Government of the Republic of South Africa, and the Minister responsible for the National Department of Public Works. Mr Ngwane Roux Shabangu, the deponent to the founding affidavit, is the sole director of the respondent.</p> <p>The notice under the Act was dated 28 August 2014, the same day as that on which the action was instituted. In October 2014 the Minister filed a special plea asking for the claim to be dismissed on the grounds that notice had not been given timeously and there had been no application for condonation. The respondent did nothing about this until it launched the present application on 24 April 2017. Condonation was granted by Neukircher J. This appeal is with her leave.</p> <p>The appellant contended that the power of condonation in terms of s 3(4) of the Act is only available in respect of non-compliance with the provisions of s 3(2)(a) and does not extend to non-compliance with s 3(1). The appellant argued further that the application for condonation did not satisfy the requirements of s 3(4)(b) and that the court in the exercise of its discretion ought to have refused condonation due to the delay by the respondent in bringing the application.</p>
<p>Judgment:</p>	<p>Because the respondent did not meet the three requirements for condonation in terms of s 3(4)(b) no question of the court exercising a discretion to grant condonation arose. The parties agreed that in that event there was no purpose in the matter returning to the high court and that the order we grant should dismiss the action.</p> <p>The following order is granted:</p> <ol style="list-style-type: none"> <li>1. The appeal is upheld with costs including those attendant on the employment of two counsel.</li> <li>2. The order of the high court is set aside and the following order substituted for it: <ul style="list-style-type: none"> <li>'1 The application is dismissed with costs including the costs of two counsel.</li> <li>2 The plaintiff's claim is dismissed with costs, including the costs of two counsel where two counsel were employed.</li> </ul> </li> </ol>
<p>Remedial Action (policy/strategy) to reduce or avoid recurrence):</p>	<p>DPWI to ensure that the litigants bringing any action for payment moneys against the Department do ensure full compliance with the provisions of Section 3 of the Institution of Legal Proceedings Against Certain Organs of the State to ensure that the Department's rights to timeous notice about the intended civil action are protected prior to institution of the civil action.</p>

### 3. Part B: Our Strategic Focus

#### 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 Mission"**

**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."

#### 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.

### Updated Situational Analysis

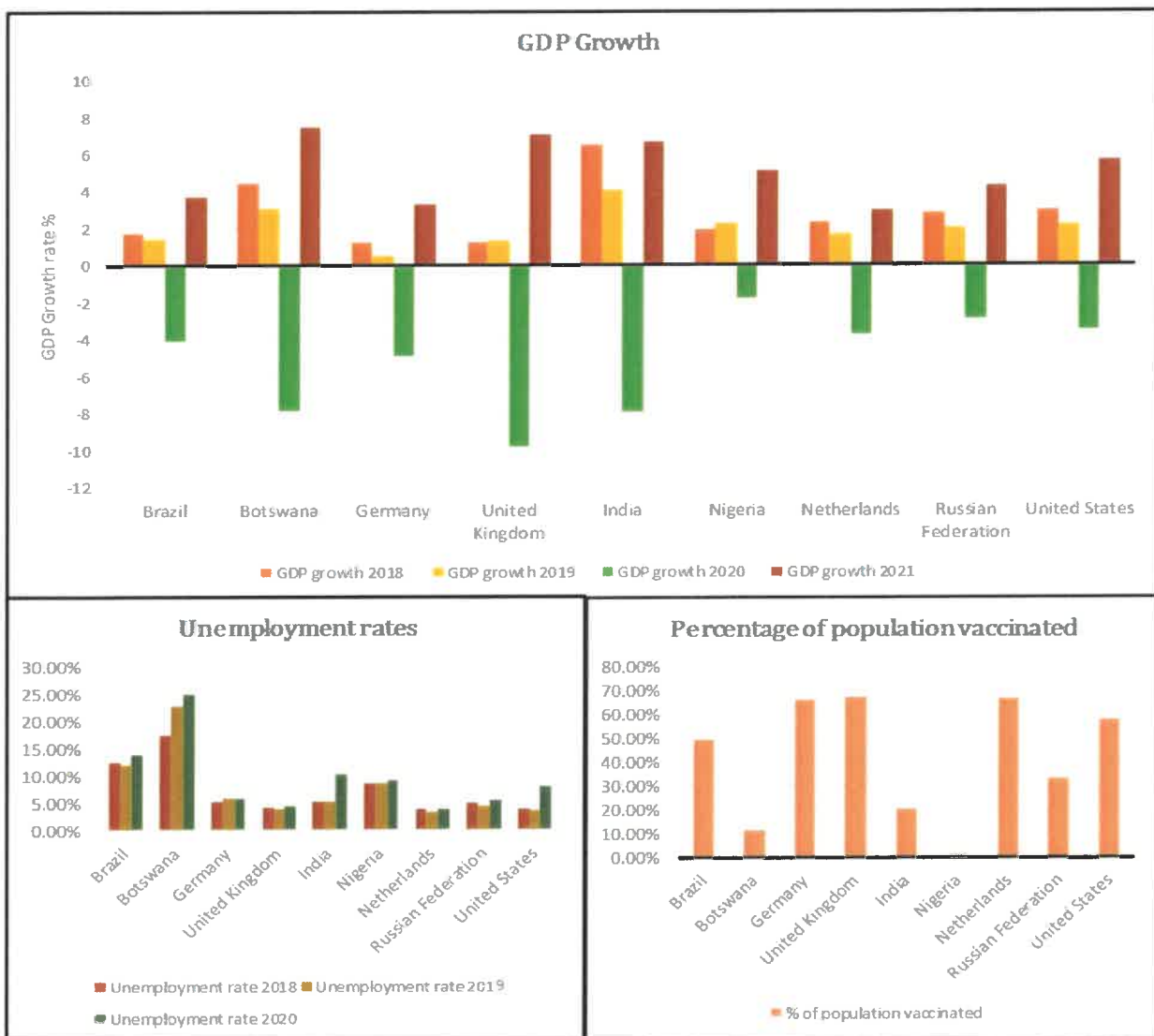
#### • External Environment Analysis

##### Global Economic Overview

The last year and half have been stained by the COVID-19 global pandemic, which has affected the global economic landscape, both developed and developing economies. Emerging markets and developing economies felt the impact more, as their resources had to be diverted from productive activities towards combatting the virus for longer than seen with developed countries. The charts below show the statistics with respect to COVID-19 for the world and for South Africa. As can be seen the recovery rates for both the world and South Africa are above 90%, with about 17.7 million and about 19 000 active cases respectively. The success story in this pandemic has been the developed vaccines, which are enabling most economies to start easing restrictions and boosting various productive activities.

All the countries in the chart experienced negative GDP growth and an increase in unemployment for 2020, which is when the pandemic was fully-fledged. The United Kingdom and Germany exhibited low growth rates pre-pandemic, this is not unlikely given that they are first world countries but the UK seems to have been hit the most by the pandemic with a GDP growth rate of -9.8% in 2020. Nigerian seems to have been affected the least by the pandemic showing less than 2% of negative growth. Botswana and India's growth rates were most similar to that of South Africa. Although there may be other factors responsible for the negative growth in 2020 for various countries, COVID-19 is the major contributor.

Growth has stabilised in the first half of 2021 and expected to continue as more economic activities return to a somewhat 'normal' state. Another key feature of the pandemic has been increase in commodities, oil and food prices globally. The increase has been mostly driven by supply shortages as some industry lagged in production to the demand that resumed. Increase in commodity prices is key for the construction sector as this will have a direct bearing on building costs.

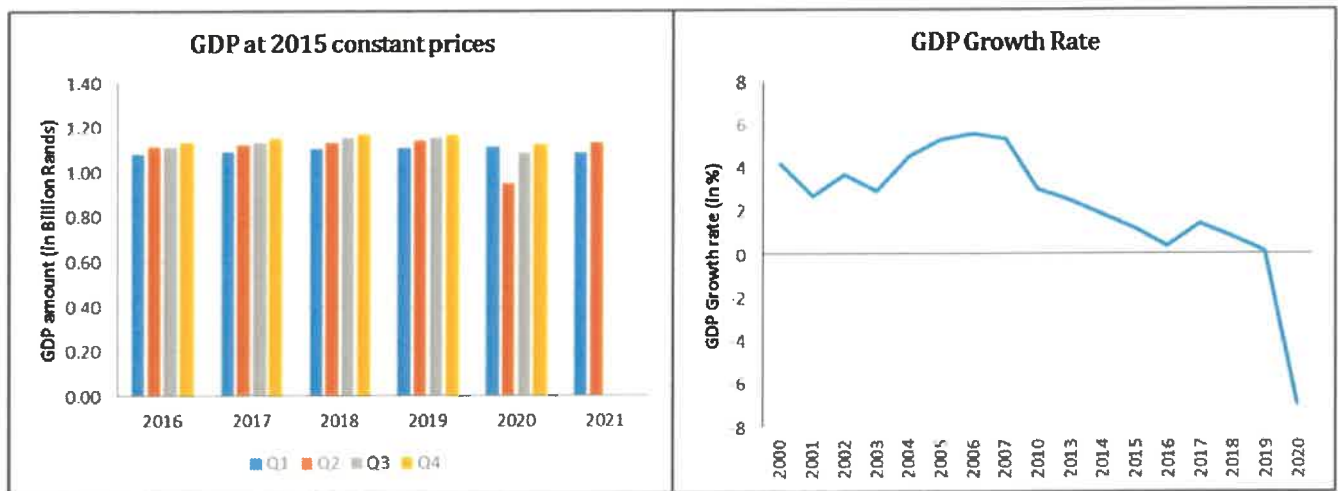


Data source: World Bank

### Local Economic Overview

South Africa, like most of the world, saw a great number of COVID-19 cases arise within a short period from the first reported case. Healthcare facilities were at full capacity as the available resources could not cater to the pressure placed on them. Government's main response to the surge in infections and to limit the spread of the pandemic was through reduced human-interaction which we know as "lockdown". The various levels of lockdown implied limited economic activity in the country, which overarches various performance matrices. Government's response tactics as well as the vaccination drive, where more than 30% of the population has been vaccinated, ensured a drop in infections from 20 000 cases a day in July to 200 cases daily in October of 2021.

Despite the advances made in fighting the pandemic, the charts below gives a view of the impact of COVID19 on the South African economy, this being where the remnants of the pandemic have been more significant. Despite the pandemic, it should not be ignored that the country was already in a low growth state with high unemployment rate and low investment. The first chart below shows the produce of South Africa over the past 5 years per quarter at 2015 constant prices. From 2016 to 2019 we see an upward trend in GDP, which continued through to the first quarter of 2020; where we see a sharp drop in the second quarter of 2020. This was when COVID19 infections began to rise and South Africa was under a 'hard-lockdown'. Businesses had to shut down, workers had to be laid off and production in most industries had to slow down under the regulations.

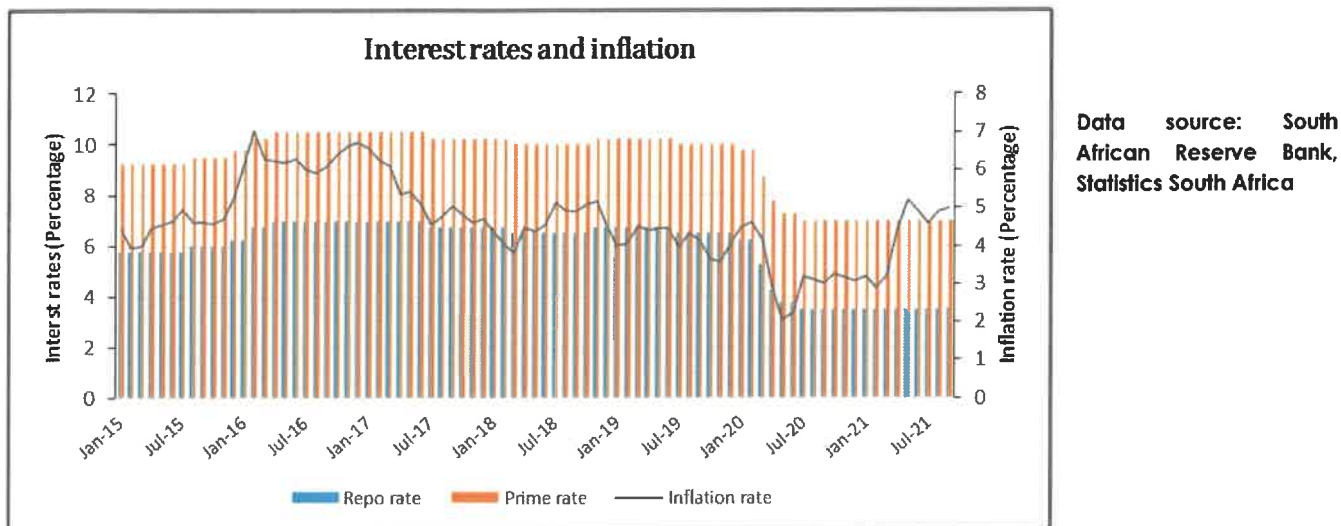


Data source: National Treasury, [statssa.gov.za](http://statssa.gov.za)

South Africa has been on a low growth trajectory since 2018 as can be seen above, the Central Bank has been reducing the interest rates since 2019 to encourage spending and lower the cost of borrowing. The central bank further reduced the repo rate during the pandemic until the current rate of 3.5%, which is 300 basis points lower than at the same period in 2018 and is the lowest it has been since 1998. The figure below shows the repo rate, prime interest rate and inflation rates in South Africa from the year 2015 until September 2021. Inflation rate as at the end of September measured 5%, which is above the midpoint of the target band.

Fuel prices, which increased by 19.9% compared to 2020, are the major contributor to the rise in prices. This puts South Africa in a paradox, as high inflation and low growth will create a

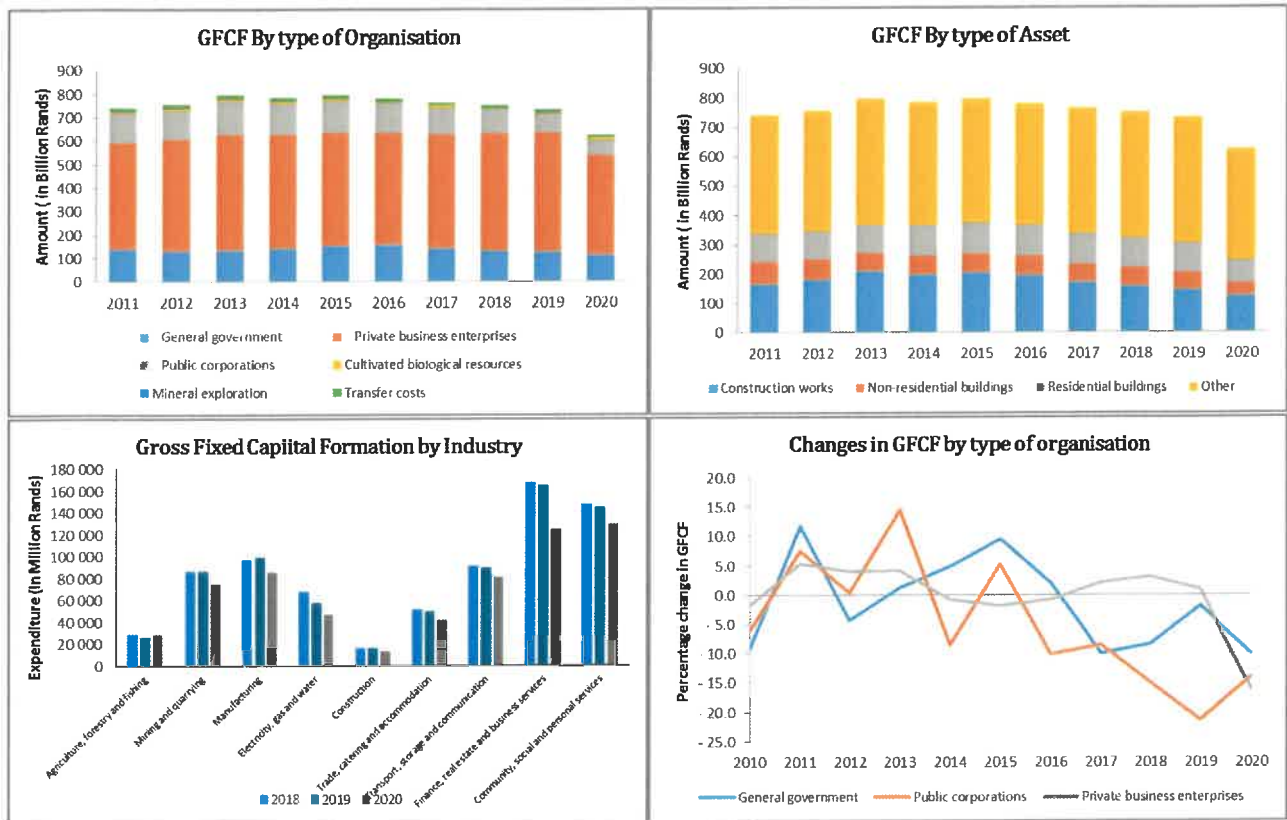
complex environment for monetary policy. In the past the response to increasing prices has been an increase in benchmark interest rates by the Reserve Bank. In the current climate of low growth, an increase in the interest rate may repress spending and investment which will counter economic growth.



The period of low interest rates has provided much needed relief to indebted individuals and businesses. It would be ideal for interest rates to remain low until economic activity, and subsequently growth, has picked up. For the construction and property sectors, low interest rates allow businesses to invest, which in turn creates jobs and boost GDP. This investment is referred to as gross fixed capital formation (GFCF), which is a component of GDP that relates to investment in fixed assets or infrastructure by either public corporates, the government, or private enterprises. It can also give us insight into the level of business confidence, a high GFCF indicates higher producer confidence. The charts below show GFCF by type of organisation, asset and industry.

The biggest contributor to GFCF is the finance, real estate and business industry, which include the property sector. The construction sector is the least contributor to fixed investment. As shown in the chart, GFCF has been decreasing for most industries in the past 3 years. A decrease in investment correlates with a reduction in the construction and property sector activities, which depresses the sectors.

The bottom-right chart shows the changes in GFCF over a period of 10 years by type of organisation. The graph shows that private companies and public corporations have been increasing their investment between 2011 and 2013. Public corporations have been reducing their investment spending since 2016 whilst general government and private businesses have had mixed changes in their investment levels. Private organisations, although slowly, were increasing their investment spending before the sharp drop in 2020 (evidenced by the grey line above the x-axis), which can be attributed largely to Covid-19.



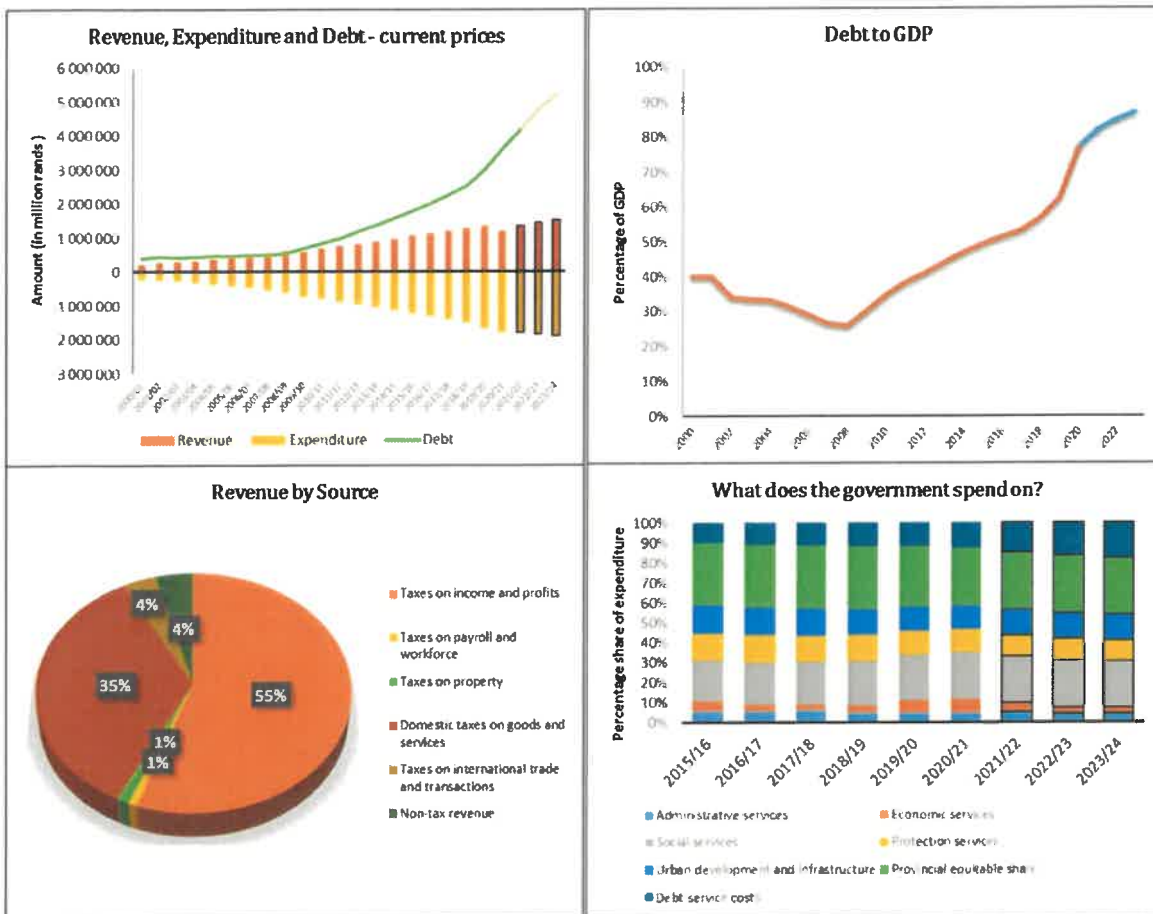
Data source: STATS SA

Government's commitment to increase infrastructure spending is required now more than ever. Spatially diverse and coordinated infrastructure investment by government is crucial to improving business investment, which will increase GFCF, and subsequently GDP. The charts above show that government's investment spending did not decrease as much as the other organisations did during the pandemic. Given that government is not profit driven, they are better poised to make more sustainable spending, which can have positive spill-overs to the other sectors. The proposed infrastructure plan 2050 is a great tool as it would unlock development infrastructure necessary for other sectors to thrive.

## Public Finances

The performance of the economy rests mostly on government allocation of funds to the various areas within a country. The first figure below shows the government revenue and expenditure as well as the amount of debt held. The deficit is the difference between the revenue received and the total expenditure. For the past 20 years, the increase in revenue has been consistently lower than expenditure, which necessitates borrowing to cover the shortfall (deficit). The slow economic growth correlates with a low tax revenue base, which then trickles down to the budget deficit. Debt-service costs have risen to more than 10% of government expenditure recently, and expected to rise even more in the medium term.





Data source: National Treasury

The Debt to GDP ratio was at its lowest at 26% in 2008, it steadily rose but was still below the acceptable of 60% by Western standards though it does not compare favourably with many other developing countries. That was until 2019 when it reached 62.5%. With the commencement of the pandemic, there was an urgent need for funds to aid the government in responding to the crisis at hand. The response was in the forms of social grants, unemployment benefits, business relief packages, improvements in the health care system capacity and ensure the safety of the forefront workers. This led to an increase in loaned funds, pushing the Debt-GDP ratio to 77.06%. This would not be a cause for concern if there were good growth prospects for South Africa but if coupled with negative growth, the debt may be too much for the next generation to service.

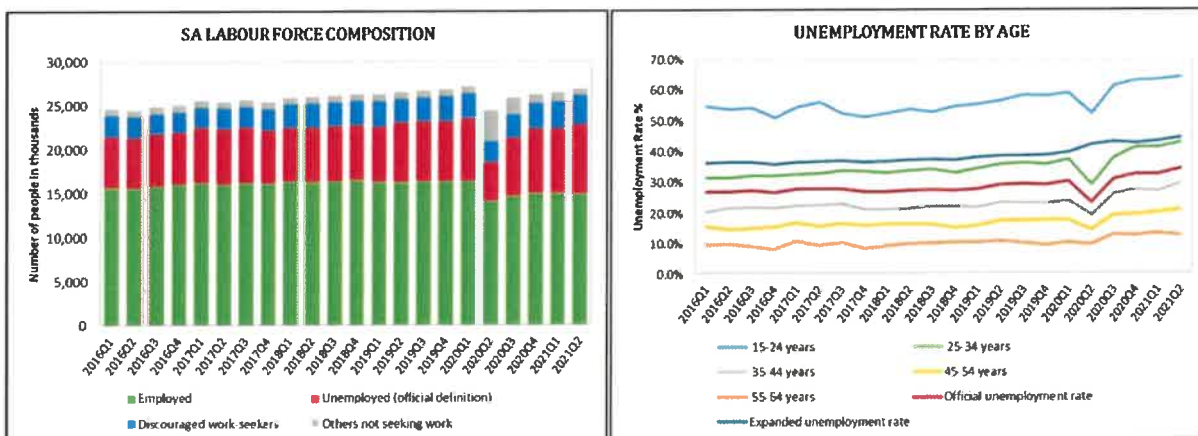
The main source of revenue for the government is taxation. The biggest contributor to total revenue is taxes on income and profit as shown on the pie chart. Taxes on income and profits refers to personal income tax, corporate income tax, secondary tax on companies and tax on retirement funds and of the cluster, personal income tax makes up approximately 70% of the total. This means that personal income tax accounts for at least 38% of budget revenue. The South African workforce on their own pay more tax than is received from sale of domestic goods. The current unemployment rate lies at 34.4%, given that the workforce contributes more to the budget revenue, creation of employment should be prioritised in order to increase the funds available to government. Also, non-tax revenue currently makes up only 4% of the budget revenue and includes the sale of capital assets. For the year 2020/21, sale of capital assets amounted to R128.4 million and was less than 1% of the total value of non-tax revenue.

The Department can contribute in this area to ensure an increase in non-tax revenue given that there is a significant number of vacant state-owned properties under its custodianship. Strategies and circulars are being drafted for the leasing and possible disposal of surplus properties in order to generate the much needed revenue.

## Employment

The second quarter of 2021 has not been easy, with the labour market still grappling to recover from the unprecedented effects of COVID-19. Notwithstanding the roll out in vaccines domestically and globally, according to the Quarterly Labour Force Survey (QLFS) for the second quarter of 2021, the official unemployment rate stands at 34.4%. The unemployment levels have deteriorated for the past decade and the situation weighs heavily on the economy, and mostly the government who has to find ways of relief such as social grants and temporary relief packages. The level of skills is also a major concern given that, of those unemployed 44% have not completed a secondary qualification and only 10% possess a tertiary qualification. In addition to this approximately 30% and 18% of the unemployed were previously occupied as an elementary and sales and services workers respectively.

The protracted second and third wave have dampened economic activity discouraging more job seekers, in the second quarter of 2021, discouraged job seekers increased by 186 000 from 3.1 million in the first quarter. As published in the QLFS for second quarter of 2021, youth aged 15-24 years recorded the highest unemployment rate of 64,4%% followed by youth aged 25-34 at 42,9%, looking at the same time last year the figures were lower by 12 and 14 percentage points. The chart below shows the composition of the labour force as well as the unemployment rate by age alongside the lines for official and expanded unemployment.



Source: STATS SA

As a means to alleviate the issue of unemployment, address backlogs of infrastructure and skills shortages; and in addition reduce poverty and provide income relief through temporary work, the government has put in place amongst others, the Expanded Public Works Program (EPWP), Presidential Employment Stimulus Programme (PESP), SA Youth network (a national network offering young South Africans free access to learning and earning opportunities) and the Youth Employment Service (YES) initiative (aims to combat high youth unemployment, up skill workers, make South Africa more attractive to investors, and boost the South African economy).

Reports done by the department (DPWI) in September 2021 on the EPWP and PESP indicate that the programme has made significant progress in reaching its work opportunities target. Between the years 2019-2020 and 2020-2021 the programme had an employment target of 981 497 and 984 490 respectively, it managed to reach its target by 101% and 95% respectively while for the past four years the programme achieved less than 70% of its target. As mentioned that the youth employment levels are a cause for concern, between the years 2020-2021, the programme managed to reach 42% of the youth compared to 51% in the years 2014 – 2015. It is also worth mentioning that 76% of the participants in the first quarter of 2021 had a qualification below secondary level and were unemployed prior to joining the programme, 20% and 3% had completed secondary and tertiary qualification respectively.

Focusing on the PESP, since the inception of the programme in October 2020 and also as part of phase 1 of the programme more than 550 000 jobs were created, this is 79% achievement of its target (694 120 opportunities). All these initiatives have made big strides and prove to be working, hence the government has pledged a further R11 billion towards phase 2 of the PESP. Both EPWP and PESP have increased their work opportunities target and aim to reach a wider audience through various avenues.

### **Employment: Presidential Employment Stimulus Programme**

The Presidential Employment Stimulus Programme (PESP) was launched in October 2020 to address the devastating impact of Covid19 and also to address the problem of youth unemployment. DPWI, being one of the fifteen contributing departments, placed graduates in various professional services programmes nationally. In December 2021, the department had under its wing 1 162 beneficiaries from a set target of 1 560 job opportunities. Of the total beneficiaries, 34% were under the DPWI Limpopo region (highest recorded provincially), 12% Eastern Cape, 10% in both Gauteng and Western Cape regions, whilst Northern Cape had the lowest intake at 1%.

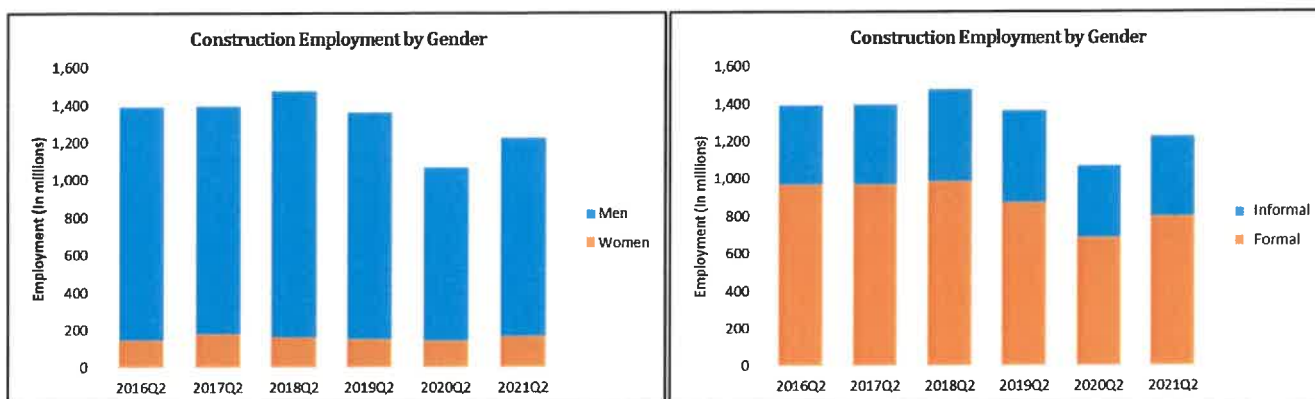
Currently, the Welisizwe Rural Bridges programme which aims to enhance graduates' skills through construction and maintenance of rural bridges has a total of 298 graduates working as part of the PESP. 23% of the graduates were placed under the Public and Private Collaborations programme. 248 graduates also got an opportunity to advance their technical support skills through the Facilities Management Programme, 11% got to harness their skills in the Water and Energy Efficiency programme.

As a means to redressing gender inequalities but not the sole focus, 59% of the beneficiaries were female. DPWI is currently implementing phase 2 of the initiative which will enhance on the same objective of creating new employment opportunities whilst supporting infrastructure delivery.

## Construction Sector Employment

Following the industry's plunge in 2020 due to the Covid 19 pandemic, construction activities have gradually picked up generating more employment opportunities. As indicated on the charts below, employment in the sector has increased by 15% from the second quarter of 2020, with 156 000 more individuals employed. Given the current trajectory and governments' plan to invest towards infrastructure development with the aim of creating more than 1,8 million jobs in the sector, over the next 10 years, employment levels are likely to reach pre-pandemic levels in the fourth quarter of 2021.

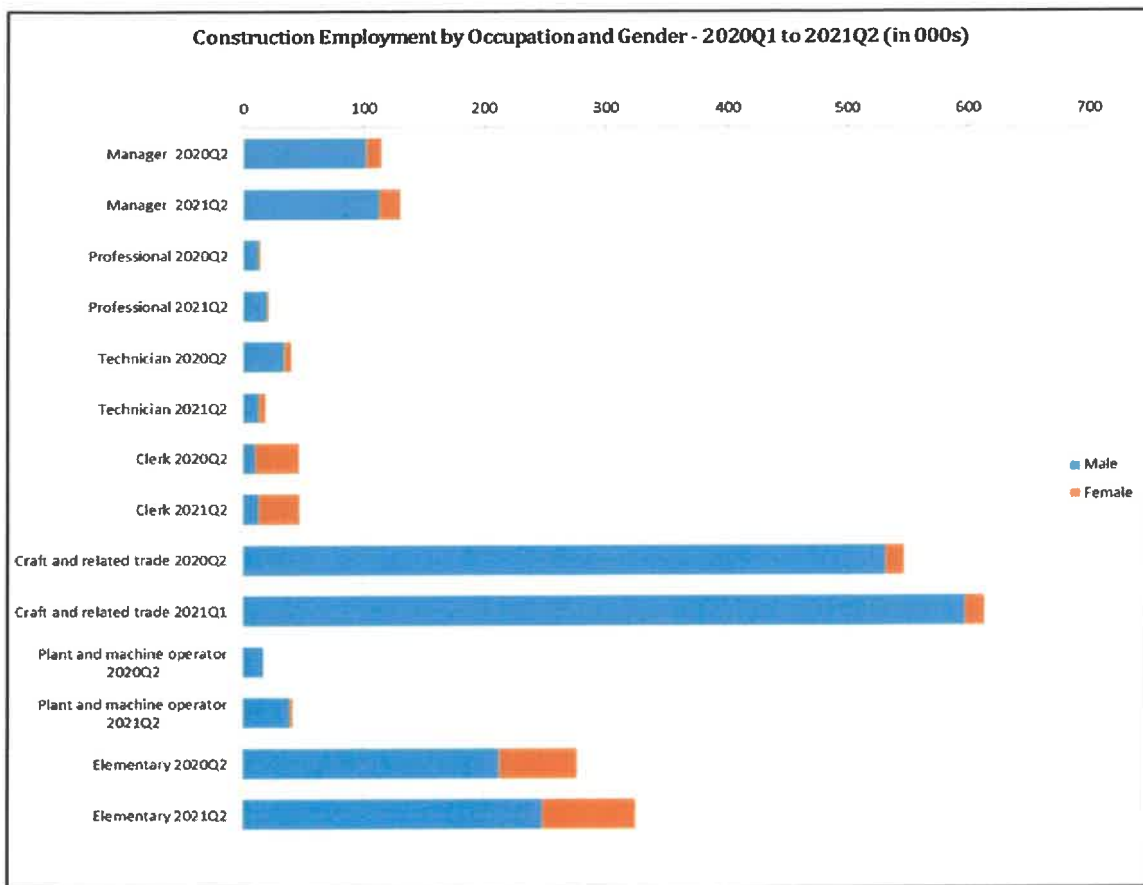
According to the QLFS, women in the industry are still unrepresented, with 13% of females comprising of the people working in the field in the second quarter of 2021. Although transformation is still sluggish, there has been some progress made, looking at year on year, 260 000 more females were employed between 2020 and 2021 Quarter 2.



Source: Stats SA

The chart below shows the number of males and females employed in each occupation within the construction sector for quarter two of 2020 and 2021, apart from clerical positions where 35 000 females are employed in the second quarter of 2021, a substantial amount of males hold positions in most occupations in the sector. The call to bridge the gap against inequality in the sector has not been in vein, there has been an increase of 5000 more females' year on year holding managerial positions. The increase in females has somewhat been offset by the increase in males, as males in managerial positions increased from 102 000 in the second quarter of 2020 to 113 000 in the second quarter of 2021.

According to Stats SA and largely unequal, craft and related trade, as well as elementary are the leading occupations in the industry. The second quarter of 2021 has seen an increase in both females and males entering the fields, males registered an increase of 66 000 and 35 000 year on year in craft and related trade as well as elementary occupations respectively, while females entering elementary increased to 77 000 in quarter two of 2021 from 64 000 in quarter two of 2020. It is not without saying, that the industry still has a big task ahead to include women in the industry, transformation in terms of removing the culture of gender biasness, up skilling and mentoring of women is necessary to curb the gap.



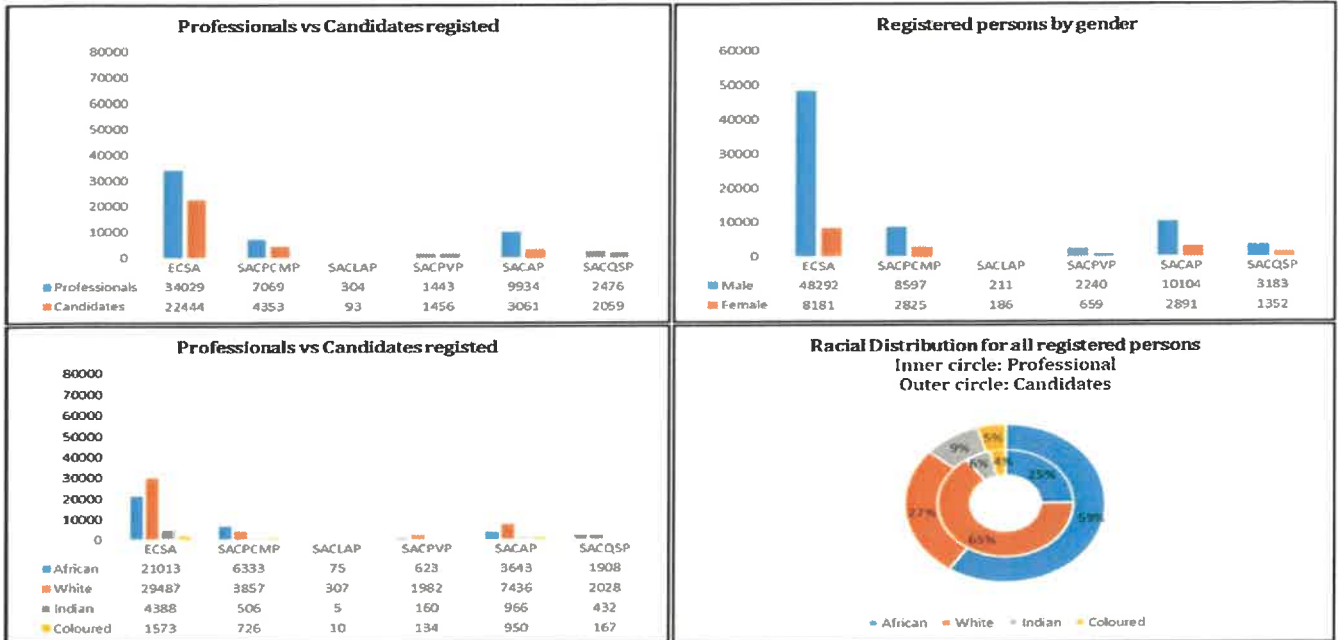
Source: Stats SA

### Built Environment Sector Professionals

The graphs below show an analysis of the six built environment professional councils which are under the Council for Built Environment (CBE) for the first quarter of 2021. In total all six councils registered 55 255 and 33 466 professional and candidates respectively, with Engineering Council of South Africa (ECSA) registering a higher percentage, the council registered approximately 62% and 67% of professionals and candidates. The South African Council for the Project and Construction Management Professions (SACPCMP) registered 7069 and 4354 of professionals and candidates, which accounts 13% of the total.

There has been slow progress in terms of transformation within the councils, males still account for majority of registered individuals. In the first quarter of 2021, from the ECSA, SACAP and SACPVP portfolio, 86%, 78% and 77% respectively are male. Looking at the racial profile, 65% and 25% of professionals are white and African respectively, while 59% and 27% of candidates are African and white respectively.

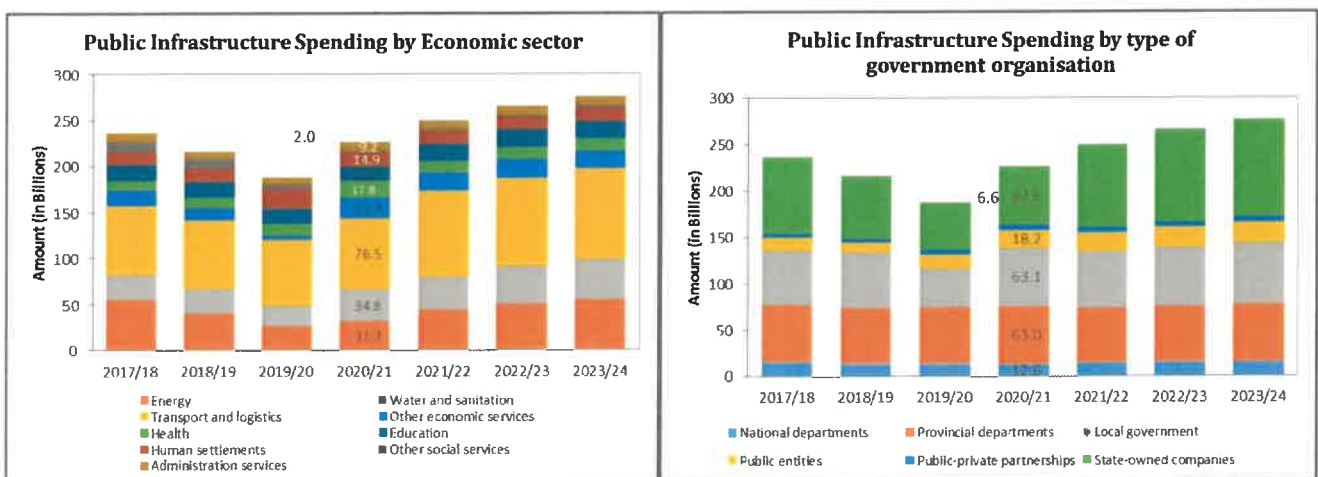
To address the disproportionate profile of registered engineers, ECSA has embarked on a drive to reengineer and revisit its processes, systems, culture, infrastructure and also the legislation to allow for inclusivity as a whole. As part of digital transformation, most councils have put in place online registration platforms or functionality that will shorten registration processes. *Albeit* all these interventions, adequate communication, guidance and sharing of information is still necessary in achieving set goals.



Source: CBE

### Public Service Infrastructure

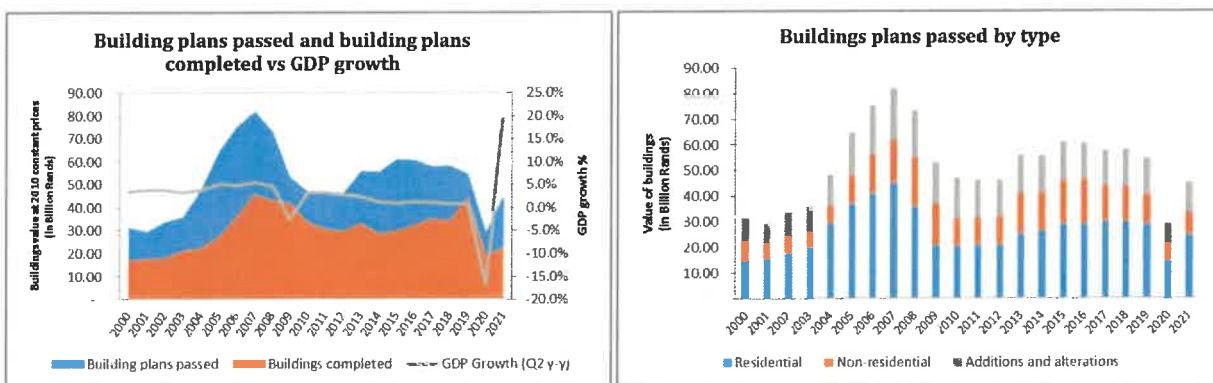
The charts below show public infrastructure spending for the past three financial years as well as estimates for the medium term as reported by the National Treasury. There has been a decrease in total spending over the past 3 years; the right hand side chart shows that this is mainly due to reductions 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 (GFCF). Proper planning by the state is essential to ensure that the budgeted expenditure is realised.



Data Source: National Treasury

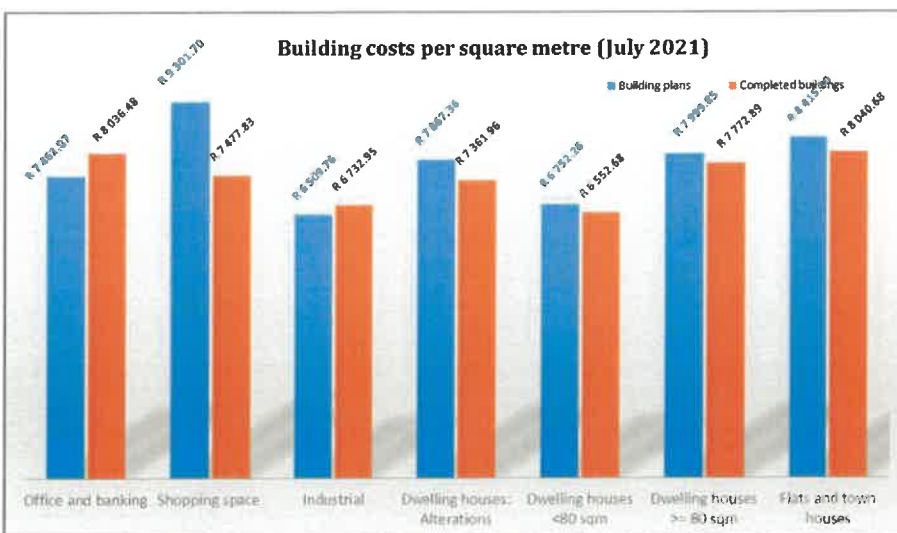
## Building Activity

Planned and completed building activity by private sector as reported by municipalities is recorded on a monthly basis by StatsSA, of which the last publication analysed was released in July 2021. The charts below show these statistics from 2000 for the period from January to July of each year. The chart on the left hand side shows a lag between planned and completed buildings as well as a trend where building plans follow the GDP growth direction. Given recent growth as presented earlier, it is expected that building activity be very low. The value of building plans passed between January and July of 2021 amounted to R45.30 billion, which is an increase of 19.3% when compared to the same period in 2020. Although an increase when compared to 2020, this is a decrease when compared to 2018 and 2019 where building plans for this period measured R58.15 billion and R54.70 billion respectively; in fact the values for 2020 and 2021 are the lowest since 2003. The building plans were already on a decrease before the pandemic; the recent decrease has been exacerbated by the lockdown and will likely take more time before returning to higher levels.



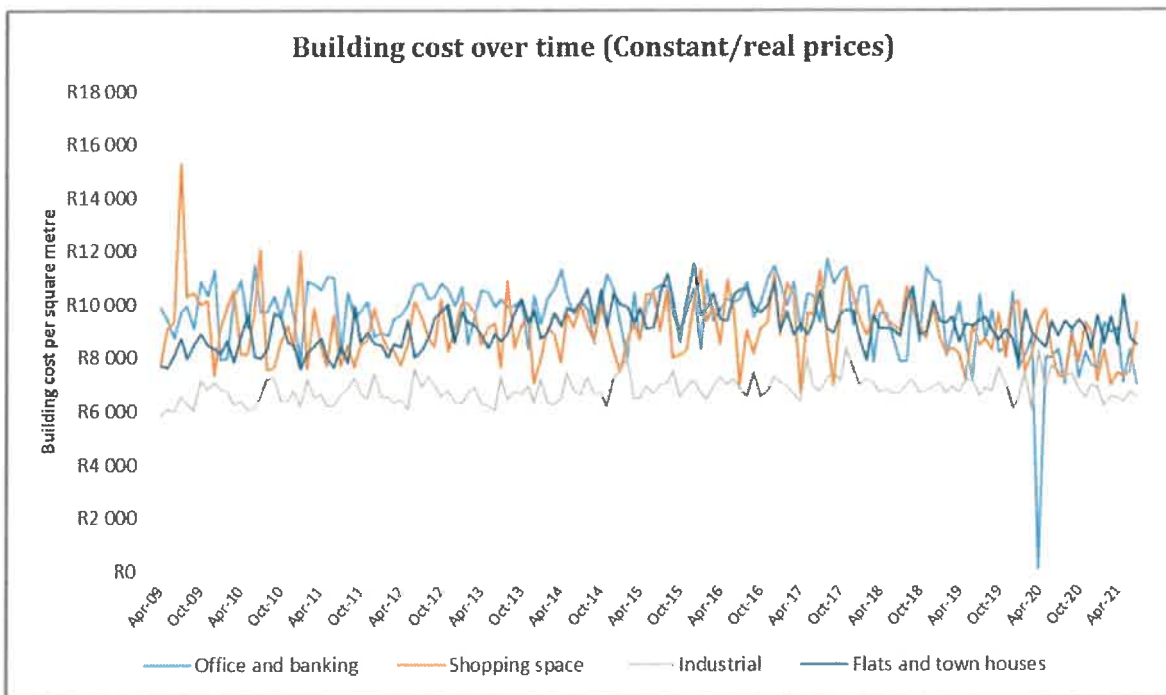
Data Source: Stats SA

As shown in the graph below, the office and banking sector has the highest cost per m<sup>2</sup> for the buildings plans reported in July of 2021. Although the values below are average estimated costs, the department should use them as benchmarks when analyzing its construction cost. Such exercises will drive the department to apply even stricter and efficient processes to deal with spillages, unwarranted escalations and price fixing.



Data Source: StatsSA

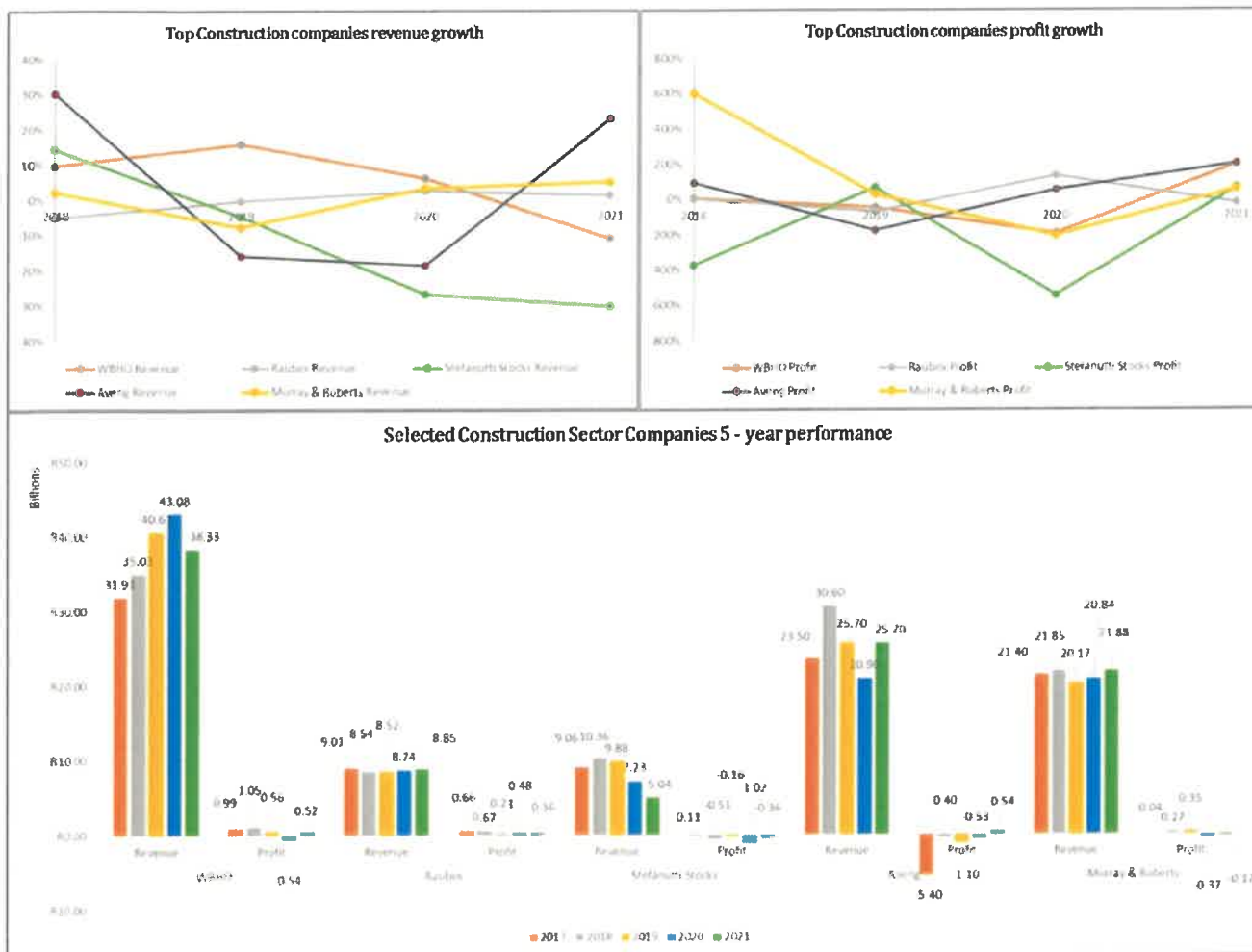
Further analysis of building cost trends has shown that building costs movement over time can be approximated using the CPI, as shown in the graph below. All building costs were expressed at constant prices, where July 2021 is the base. Other inflation indices such as the CPAP or BER indices give a more accurate representation of building cost escalations; the chart below, however, shows that CPI can be a good estimator. Industrial building cost escalation appears to be less volatile, that is, better explained by the CPI. The 2021 second quarter building cost report from BER showed that the CPAP work groups 180 and 181 indices increased by more than the inflation index, which could result in a higher building cost figures in the coming months. High global steel and other metals' prices are amongst the largest contributors to the increase in building costs.



Data Source: StatsSA

The impact of Covid-19 on the construction sector can also be seen through an analysis of performance of the top firms in the industry. The charts below show the revenue and profits as well as growth in those two performance measures for the companies shown over the last 5 financial years. The charts not only show an industry suffering due to Covid-19, but one where companies have been operating at losses even before the pandemic. 3 of the 5 companies recorded profits for the financial year 2020/21 (2021 in the graph) – which suggest that the companies were either able to adapt to Covid-19 and make profit or that their expenses were reduced in the financial year.





## Leasehold Portfolio

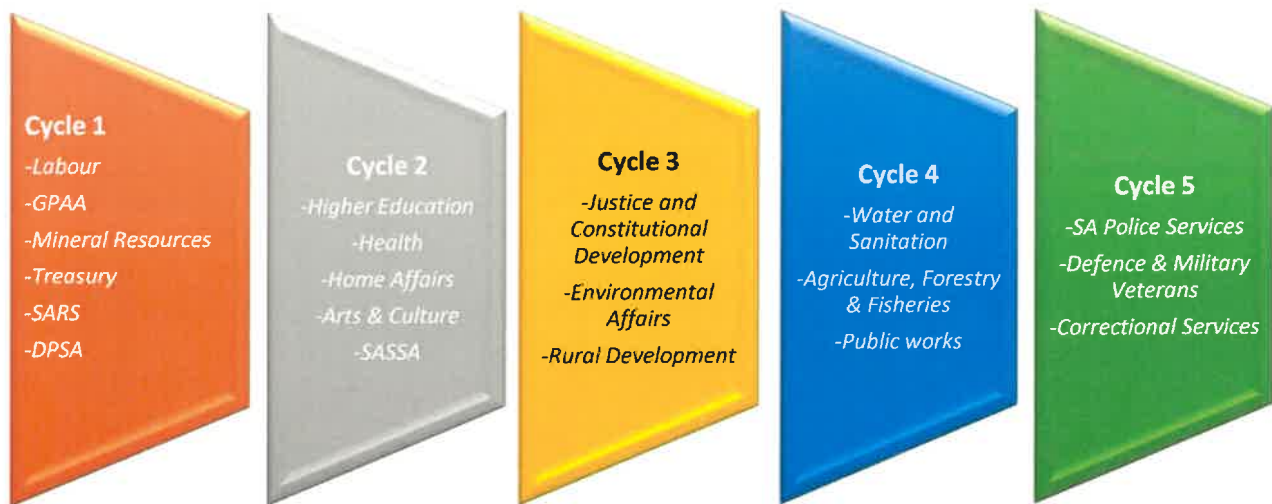
The Department of Public Works and Infrastructure (DPWI) (through the PMTE) had over 2 200 leases across the 11 regions in 2021. A closer look into the City of Tshwane Metropolitan as the administrative capital of the country where 173 leases were analysed revealed that 152 of these had expired and were running on a month to month basis. The dominant accommodation type is offices, which accounts for about 90% of leases held by the DPWI in this region. The majority of these office leases are held by SAPS which holds the most leases in the portfolio.

For the sample analysed in Pretoria, the average rental paid by the DPWI on these leases was R136 per square meter in 2021, meanwhile the average market office rental in the City of Tshwane CBD for the same period ranged from R105 to R110 per square meter for grades A and B. The difference in paid rentals to market averages suggest that savings of up to 20% can be made on certain leases in the area. The savings will differ as the circumstances surrounding the buildings do. The department is not deriving any benefit from the drop in office rentals that has been occurring as a result of high vacancy rates since the department does not regularly renegotiate terms on existing leases.

Although the analysis was based on Pretoria, the findings are likely similar for the leases in other regions. Renewal of leases promptly would see the department takes advantage of the national vacancy rate, which currently lies at an all-time high of 16%. Lease renewal or changes should remain a priority in order for the department to cut on rental costs, making more funds available to be used in other areas of concern.

## Itemised Billing- Financial Sustainability

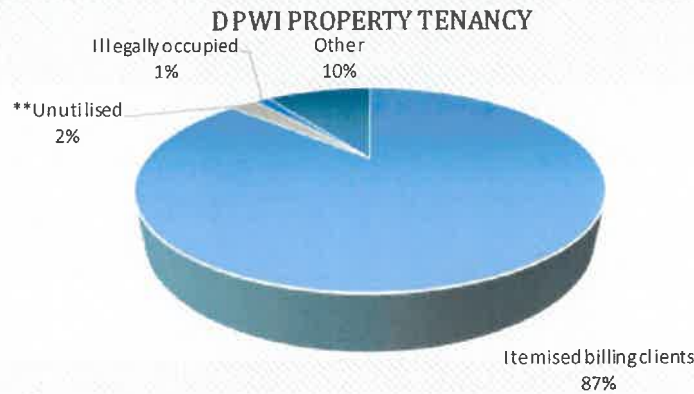
The user charge model gives a breakdown of the rental by separately calculating the cost of each component contained in the charge. These components are Municipal rates and taxes, Initial Capital outlay, Operating costs and maintenance, a reserve for future Refurbishment and a management fee. In the 2017/18 financial year, a plan to ensure that the Property Management Trading Entity (PMTE) achieves the requirements for itemised billing was approved by National Treasury. The clients were grouped into 5 cycles with each moving from the devolution framework in subsequent years according to their relevant cycle, starting in 2018/19. The diagram below depicts the clients within each cycle.



The Department currently owns 81 601 improvements as disclosed in the 2021 Immovable Asset Register. 87% of these properties are occupied by the clients in the 5 cycles included in the itemised billing project. They occupy a total of 21 111 944 square meters (95%) of the 22 133 821 square meters of all DPWI improvements. The Itemised Billing clients are not exhaustive of the total number of clients that the DPWI provides accommodation for. The client pool includes other organs of state not included in the itemised billing list and some private tenants; this is 10% of the improvements (by count). At least 2 029 buildings are unutilised and of the 2 029 that are unutilised, 48 of these are illegally occupied. A further 1 042 properties are illegally occupied. This means that 3% of the buildings portfolio is not generating revenue at the moment.

The total amount available from the above-listed users amounts to R5.6 billion for the 2021/22 financial year. Given the above, itemised billing clients pay an average of R22.07 per square meter (per month) in accommodation charges. In the 2021/22 financial year, the augmentation from National Treasury was R3.2 billion. This then avails total funds of R8 802 429 010 for the upkeep of the properties that the department lets out, this translates to a rental charge of R33.14 per square meter. Given the level of backlog maintenance, this money is not enough to cover maintenance for the whole portfolio. The department cannot even plan for future refurbishment as the revenue from government departments is not enough to cover current maintenance. Even though the PMTE is busy exploring alternate revenue generation methods, over 90% of the buildings are occupied by government departments. Both National Treasury and government departments need to prioritise the accommodation funding.

Property user	No. of buildings	Extent of structure	User charges 2021/22	User charge per sqm
Cycle 1	271	477 494	215 205 483	74.85
Cycle 2	916	1 025 590	229 658 732	38.61
Cycle 3	2 379	1 461 372	556 709 857	47.94
Cycle 4	10 321	3 337 495	480 241 446	25.82
Cycle 5	56 713	14 809 993	4 108 371 743	24.48
<b>Itemised billing clients</b>	<b>70 600</b>	<b>21 111 944</b>	<b>5 590 187 260</b>	<b>22.07</b>
**Unutilised	2 029	337 915		
Illegally occupied	1 042	138 628		
Other	7 930	545 334		
<b>Total</b>	<b>81 601</b>	<b>22 133 821</b>	<b>5 590 187 260</b>	<b>21.05</b>
<b>DPWI Augmentation</b>			<b>3 212 241 750</b>	
<b>Total with augmentation</b>			<b>8 802 429 010</b>	<b>33.14</b>



### Real Estate Investment Trusts (REITS)

Real Estate Investment Trusts (REITS) are companies are listed companies that give investors exposure to property without having to physically own the asset. The chart below on the right shows the largest REITS listed on the JSE by market capitalisation. Due to their share of the market, these REITS have a large influence on overall performance of the property market. Before 2018, the property market was known to outperform other asset classes but 2018 saw a significant decline in performance of the property market. The most significant decline was caused by the report by Viceroy around the Resilient Group of companies which led to their collapse. They had comprised of more than 40% of the South African Listed Property Index, one of the five property-only indices in South Africa, so their collapse had a great impact on the whole property sector. At the same time, house prices remained weak, rentals were struggling to keep up with inflation and listed companies struggled to pay out distributions all the way through to 2019.

The impact of these can be seen on Table 1, which shows negative returns for all 4 quarters of 2018 and the trend continuing into the first quarter of 2019. Going into 2020 with the arrival of the pandemic, high vacancies set in and continue to cripple the whole property market. This being as a result of many business operations temporary at a halt, decreased economic activity and migration out of the city owing to lockdown restrictions. Office and flat rentals plummet amidst oversupply of space and as a result, listed property prices sink further down.

In Quarter 2 of 2020 an upturn is seen as capitalisation rates increase and returns on REITS rise to a high of 18.9%. The year 2020 had the lowest performance and the highest performance seen within the past 5 years. In 2021, the property market seems to be well on the road to recovery with positive returns seen over the first 3 quarters. The office market continues to sink however the industrial market seems to be flourishing while house prices slowly try to pick up according to the 2nd Quarter Rode Report.



Data source: SA REITS, JSE

### Technological Advances / Impact

The recent pandemic has forced most industries, including construction, to self-introspect, envision and channel their efficiencies and efforts towards a digital continuum particularly the fourth industrial revolution (4IR). This is with the aim of improving working conditions, health and safety, boosting efficiencies and processes, making construction more agile, making the country's construction landscape more competitive, advance the skills of the workforce, keeping projects within target and budget (which will ultimately boost return on investment), and many more benefits. Globally technological advancements have gained momentum, however South Africa has been left behind but is determined to catch up.

According to the 2020/2021 annual report by the Construction Industry Development Board (CIDB) and also from Bongani Dladla (acting CEO of CIDB), in line with its mandate which is to facilitate and promote the improved contribution of the construction industry to South Africa's economy and society, the board will be at the forefront to strategically provide guidance and leadership in terms of evolving digitally or in line with the 4IR. The board intends to conduct research and create a database that seeks to stimulate integration and buy-in of 4IR technologies.

The discussion below outlines some of the top technologies identified for use in future, of which some are being gradually adopted. 3D scanning which is used to model and build structures, the process involves the analysis of an object to collect data on its shape or appearance. Building information modelling (BIM) is another form of innovation which allows experts to review results in real time, it involves the generation and management of digital representations of buildings, physical and functional characteristics of infrastructure prior to building. Augmented Reality (AR) is a digital layer of information that enhances the view of the real world. With such capabilities for example construction workers are able to view building plans by just pointing a device with AR capabilities to a wall. It supports precise simulations of structural changes.

Drones have made an impression in the industry, the mounted camera can provide construction teams with an overhead view of job sites, materials, machinery and people. Drones can also deliver materials reducing vehicle usage. Artificial Intelligence (AI) and Machine Learning, will soon form part of every aspect of a construction project. The predictive capabilities can increase building lifespan, in addition to this, AI can leverage automation for monotonous tasks. Mobile and cloud technologies, which will allow better collaboration, real time data sharing and remote access to all project participants.

Enhancement of construction gear (hats, gloves, safety vests, boots, etc.), all these wearable's can be fitted with biometrics, environmental sensors, location trackers and other sensors to monitor movements and vital signs. There are still many more innovations that are in the pipeline and the implementation will ultimately make construction safer, eliminate risk, and allow for better collaboration, transparency and efficiencies. Needless to say that adoption of these technological advancements will come with heavy push-back.

There are several barriers which may pose a challenge to the adoption, to name of a few, majority of the workforce is unskilled or low-skilled therefore introducing new technology may be intimidating, advancing technology can be costly (acquisition, training and deployment), incorporating technology into processes requires a change in mind set and optimism which is never easy to engrain.

Many tasks will be automated so depending on how the advancements are implemented, morale can be dampened as the labour force may worry about losing their jobs. Overcoming these challenges won't be easy however it will be important for the sector to highlight the benefits of adopting new technology. For a country such as South Africa, regulatory authorities and government will have to be pro-active in ensuring that a healthy balance is struck between labour interests and technological advancement.

### • **Internal Environment Analysis**

The Department has developed a ten (10) Point Plan to address the weaknesses in the operations of DPWI. The 10 Points (or key interventions) are:

1. Change Management Programme
2. Service Delivery Improvement Programme
3. Business Process Management Programme
4. ERP Fast Track Programme
5. Macro Business and Delivery Model of the DPWI
6. Ethics & Compliance, Infrastructure and Consequence Management Unit
7. Contract Management and Monitoring Capacity
8. Organisation Wide Skills Assessment
9. Organisation-Wide Maturity In Strategic Management
10. Clean Audit

## **Human Resource Capacity**

The Department is continuing with its intensive recruitment drive to ensure that it has the required skills and competencies to deliver on its mandate and objectives and to proactively address the Department's prioritised focus areas. More emphasis and focus has been and will be placed on the filling of technical, scarce positions and critical senior management positions to ensure stability and accountability. As at 31 January 2022, the vacancy rate of the Department remains at 11% which is still high in relation to the acceptable 10% as per the DPSA standards.

The Main Vote has a total staff establishment of 801 posts of which 645 are filled permanently, 28 are contract appointments additional to the establishment and 128 are vacant. The total filled posts for PMTE stands at 673. The high vacancy rate for the Main Vote is due to the activation of the entire start-up structure for Infrastructure South Africa comprising of 13 funded and 29 unfunded positions.

In the same light, as of January 2022, the PMTE had a total staff establishment of 5 927 posts, of which 3 935 were filled permanently, 1 392 were additional to the establishment (comprising of 260 contract appointments and 1 132 participants of the skills programmes and the Presidential Employment Stimulus Programme) and 600 were vacant. The total funded and filled posts for PMTE stands at 5 327. The PMTE organisational structure was approved in September 2016 and based on this structure, the entity requires a total staff compliment of 6 829 members in order to function optimally and deliver on its mandate of effectively managing the State's immovable assets and contribute towards economic and social development and a transformed built environment. Based on the number of filled posts above, the entity has a deficit of at least 2 034 posts that need to be filled in addition to the current 600 vacant positions and 260 contract appointments.

According to the proposed structure, PMTE needs approximately over 740 professionals and over 130 candidates however a small fraction of the permanent staff compliment accounts for registered professionals and candidates, less than 120 and less than 15 candidates respectively. As a form of recourse the entity is committed to amongst others, up-skilling, recruiting and promoting professional member registration in order to remain competitive, improve the level service standards and minimize outsourcing.

The Department is conducting an Organisation Wide Skills Assessment to determine the current skills mix and the interventions, including an expedited capacitation drive, required to optimise service delivery. A service provider has been appointed to conduct the skills assessment at SMS level and has commenced with rolling-out the interventions. The current phase is collection and analysis of self-audits distributed through the Skills Audit Questionnaires Survey to members of the Senior Management Services. This will be followed by visual sessions with branches/branch heads.

## **Recognition of Designated Groups and Promotion of Women and Persons with Disabilities**

The Department continues in its strides towards empowerment of Women, Youth and Persons with Disabilities and the achievement of the National Employment Equity targets of 50% for women in SMS and 2% respectively for Persons with Disabilities. In demonstrating its commitment to meeting these targets, the Department has elevated these interventions into the Strategic and Annual Performance Plans.

The achievement of these national targets remained a challenge for the Department in the previous financial years. Over and above the traditional recruitment and sourcing methods and ring-fencing of positions for designated groups put in place in the Medium Term Strategic Framework (MTSF), the Department will establish and maintain relation, collaborate and share employment opportunities with organisations representing Persons with Disabilities.

At the end of January 2022, the Department achieved 1.02% against the set target of 2% on employment of Persons with Disabilities in the Department, which is an underperformance of -0.98%. In creating a conducive environment for the employment of persons with disabilities and women in SMS positions, the Department has established and supports the work of the Disability and the National Employment Equity Consultative Committees.

The appointment of females at SMS level at the end of January 2022 was sitting at 40% which falls short of -10% against the 50% national targets. The Department has intensified its plans to achieve the national target of 50% of women in SMS over the Medium Term Strategic Framework (MTSF). As a general rule and in order to address the shortfalls in achieving the targets, the employment equity profile of the Department is presented during shortlisting's and interviews.

### **Employee Wellness**

The Department has made good progress and concerted efforts in minimizing the spread and exposure at the workplace by ensuring employees follow strict guidelines through good practice and the national government directives as per the alert levels the country has been placed.

Employees are required to complete weekly Covid-19 symptom screening forms before reporting for work at various offices in order to identify high risk contacts.

The Department continues its efforts to provide information to employees about the benefits of vaccination and following the government protocols.

### **Information and Communication Technology (ICT)**

The IT environment has substantially improved the capability of DPWI to be resilient and responsive in a new normal presented by the Covid-19 pandemic. ICT will continue to optimize the controls around governance, risks, security, networks and systems management.

The successful implementation of the backup and recovery solution addresses business continuity risk. In this regard, ICT will be optimizing the system and the governance controls around ICT continuity by ensuring that backups and replication are done as per the policy. As part of adherence to the policy, ICT will conduct regular testing of the backups. ICT will also be investing in alternative energy solutions like solar and batteries in the Data centres to counteract the threat of load shedding. The request for rolling out the e-leave system was sent to NT and is pending approval. The plan is to roll out the solution in the new financial year. As part of the ICT digital strategy, we will be forging ahead with new interventions to create a paperless environment through business processes automation.

To create value for DPWI. ICT will integrate the working from home tools provided during the pandemic like ZOOM and Ms Team into internal solutions like video conferencing facilities. The ERP rollout is the key strategic focus to enable the core business of the DPWI. In this regard, the critical success factors are executive buy-in, optimized and approved business processes, sourcing a capable implementation partner, and proper project management and implementation.

Finally, ICT will champion the call for DPWI to leverage 4IR technologies like Blockchain, the Internet of things (IOT) and Artificial Intelligence (AI), especially in the areas of procurement, contract management, finance, lease management, facilities management, investment analysis, asset management, etc.

### **Contribution towards Vulnerable Groups**

The Minister of Department of Public Works and Infrastructure, committed to availing unutilised state properties to be allocated to the Department of Social Development to be utilised as shelters for survivors of GBVF. A partnership was formed between the Department of Social Development (DSD) and DPWI as part of the Emergency Response Plan of which was later translated into the departmental contribution towards the implementation of National Strategic Plan on Gender Based Violence and Femicide (GBV-F).

Three (3) Anti GBV-F Billboards were unveiled in Mamelodi East, Mamelodi West and Eersterus Police stations as part of creating awareness on GBVF matters. These 3 police stations are part of the 30 police stations that are regarded as hot spots for GBVF in the country. The Department further provided Fifty Four (54) Unutilised State Properties which have been inspected and identified in the Provinces for Phase 2 to be utilised as shelters and interim housing arrangements for survivors in Northern Cape, Free State, KwaZulu Natal, Mpumalanga and North West provinces.

The Department continues to create economic opportunities for women through participation in the departmental programmes, by so doing we contribute to the NSP pillar 5. In the 3<sup>rd</sup> Quarter of 2021/22 financial year nineteen 50 tenders worth R 461 903 052, 74 have been awarded to Women owned companies. While Youth 36 tenders worth R 221 351 748.16. Engagements with National Treasury to improve on the funding to enable the targeted recipients to be increased are ongoing.

### **Infrastructure South Africa (ISA)**

Cabinet approved the establishment of Infrastructure South Africa ("ISA"), as the single point of entry to lead the country's infrastructure investment drive. ISA will take up the responsibility to ensure the implementation of the Infrastructure Investment Plan (IIP), which was approved on 27 May 2020. ISA's responsibility further includes the roles and responsibilities as detailed in the provisions of the Infrastructure Development Act, No 23 of 2014 (IDA).

In executing this function, ISA will amongst other performs the following functions:

- Work across all spheres of government with all organs of State;
- Facilitate long-term investment in infrastructure across the public and private sectors;



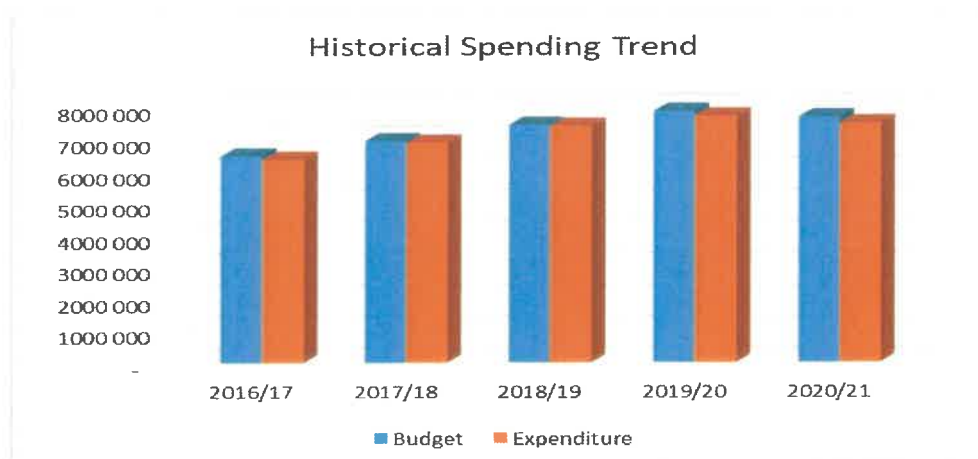
- Ensure that all infrastructure public infrastructure projects undergo thorough preparation of strategic, economic, commercial, financial and management business plans;
- Transform large-scale capital projects in terms of their planning, governance, financial management, investment, implementation and lifecycle management;
- Facilitate policy certainty that will build investor confidence for long-term development of viable infrastructure initiatives across the public and private sectors; and
- Monitor and measure benefits realisation in the execution and results of infrastructure investments.
- Manage and oversee the gazetted Strategic Integrated Projects (SIPs), as detailed in the IDA
- Develop the National Infrastructure Plan and ensure, once it has been approved that it is implemented and that its implementation is regularly reported on.
- Manage the Infrastructure Investment Review Committee (IIRC) that reports to the Infrastructure Investment Committee (IIC), with regards to projects and programmes that are to be approved for funding to the Infrastructure Fund.

### **DPW's Financial Capacity**

#### **Main Vote**

The performance of the main vote has remained steady, ranging between 97% and 100%. This is an indication that the Department is able to spend the allocated budget. Departmental spending for the 2020/21 period is R7.531 billion which represents 97.5% of the adjusted budget of R7.724 billion. Under spending of R193 million mainly relates to compensation of employees, goods and services, transfers and subsidies and machinery and equipment.

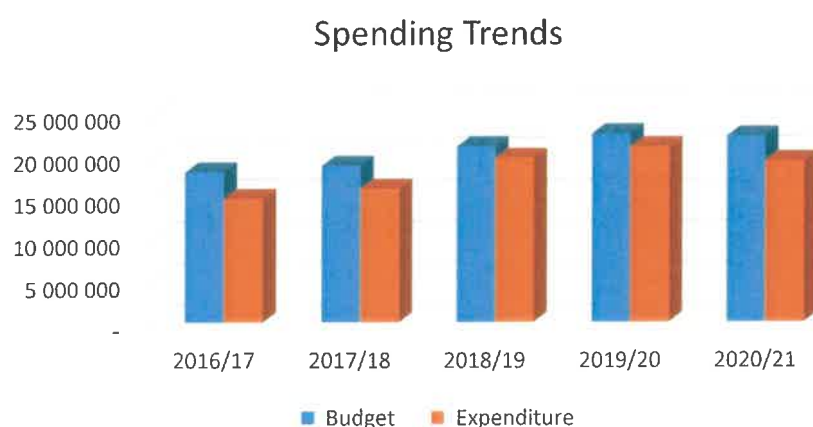
<b>HISTORICAL SPENDING TREND MAIN VOTE</b>			
<b>Year</b>	<b>Budget</b>	<b>Expenditure</b>	<b>% Spent</b>
2016/17	6 512 799	6 403 365	98%
2017/18	6 985 130	6 927 287	99%
2018/19	7 483 326	7 448 549	100%
2019/20	7 907 045	7 760 214	98%
2020/21	7 724 379	7 531 034	97%



### Property Management Trading Entity (PMTE)

The PMTE's financial performance has been ranging between 82%-93% for the last five financial years, 2016/17-2020/21.

HISTORICAL SPENDING TREND PMTE			
Year	Budget	Expenditure	% Spent
2016/17	17 912 756	14 746 246	82%
2017/18	18 644 180	15 905 307	85%
2018/19	20 951 372	19 566 229	93%
2019/20	22 438 295	20 880 140	93%
2020/21	22 119 539	19 168 860	87%



The PMTE generates revenue mainly through management fees earned through administrative services, rentals charged to user departments, as well as through transfers from the Department of Public Works Revenue. Over the medium term the budget is expected to decrease from R20.804 billion in 2021/22 to R20.187 billion in 2024/25, at a decreased average annual rate of 0.6 per cent (R617 million). The slight decrease of revenue over the MTEF is attributable to the

loss of revenue relating Municipal Services Management Fees due to the devolution of the Municipal Services payment to clients. The accommodation and lease charges accounts for most of the revenue collected. Administrative services provided include the collection of rental income from both government and privately owned buildings rented by government departments and other state institutions.

The main cost drivers of spending on goods and services over the medium term are Repairs and Maintenance, accounting for 28.14 per cent (R8.2 billion) of total goods and services expenditure and operating leases, which account for 59 per cent (R17.4 billion). Expenditure on goods and services is expected to decrease from R12.0 billion in 2021/22 to R10.4 billion in 2024/25, at a decreased average annual rate of 3.4 per cent. The decrease on goods and services expenditure is attributable to the exclusion of the Municipal Services expenditure due to the devolution of the function to Clients. 51.2 per cent of total expenditure over the medium term is expected to be on goods and services.

An allocation of R7.9 billion and R8.4 billion will be prioritised over the MTEF for capital projects and Repair and Refurbishment for the completion of infrastructure projects within the agreed time and budget, reducing the infrastructure projects backlog and creating work opportunities through the infrastructure programme. A key component of the PMTE's funds will be channelled towards improving access for people with disabilities, as such the Department is intending to complete 50 infrastructure projects to retrofit building to make them accessible for people with disabilities over the medium term.

### **Non-Financial Performance**

The Department's performance remained at 55% in 2020/21 financial year. This reflects an average performing Department which is affected by the new planning approach adopted for the Medium Term Strategic Framework period. Programmes 1: DPWI Administration, 10: Real Estate Information and Registry Services (REIRS) and 11: Facilities Management (FM) performed poorly between 33% and 40%. The department has put plans in place to improve performance in the 2021/22 financial year.

## 4. Part C: Measuring Our Performance

### Institutional Programme Performance Information

#### Programme: DPWI Administration

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

#### Sub-programme

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

<b>1.1 Management</b>	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.
<b>1.2 Finance and Supply Chain Management</b>	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.
<b>1.3 Corporate Services</b>	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.
<b>1.4 Governance, Risk and Compliance</b>	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

**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			
			18/19	19/20		20/21	21/22	22/23	23/24
Good Governance		1.1 Ethics and Fraud Perception rating	-	-	17.8% Good progress, 67,8 in progress and 14,2% interventions required	(41-60%)	(41-60%)	(61-80%)	(81-100%)
					No compliance rate to be determined, Compliance Policy drafted (version 2) Compliance Universe development in progress	(61-80%)	100%	100%	100%
A Resilient, Ethical and Capable DPWI	Performance Measurement	1.3 Percentage Performance Information Level	55.5%	62%	55%	61-80%	81-100%	81-100%	81-100%
	Spend of the allocated budget	1.4 Percentage Financial Performance Level	99.2%	99.5%	97.5%	100%	100%	100%	100%
	Vacancy Rate	1.5 Percentage Vacancy Rate	13%	10.8%	10% as at end of 31 March 2021 against the DPSA norm of 10% and DPWI target of 12%	11%	11%	10%	10%

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2022/23

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS					
			AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD		
			18/19	19/20		20/21	21/22	22/23
Designated groups Empowerment and opportunity	1.6 Percentage of Designated groups in SMS level in the Department (Women and PWD)	-	-	Women: 38.46% (towards 50% PWD: 2%	Women: 40% PWD: 2%	Women: 40% PWD: 2%	Women: 45% PWD: 2%	Women: 50% PWD: 2%
ICT architecture to enable modernisation of systems	1.7 Percentage Business Process Automation	-	-	100% Business Process Automated	35%	30%	60%	100%
ICT architecture to enable modernisation of systems	1.8 Percentage of business solutions for digitisation	-	-	No digital enterprise architecture	62%	30%	60%	100%

## Output 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	(41-60%)	-	-	-	(41-60%)
1.2 Compliance Rate (Basket of key compliance matters)	100%	100%	100%	100%	100%
1.3 Percentage Performance Information Level	81-100%	81-100%	81-100%	81-100%	81-100%
1.4 Percentage Financial Performance Level	100%	27%	53%	87%	100%
1.5 Percentage Vacancy Rate	11%	11%	11%	11%	11%
1.6 Percentage of 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	30%	-	-	-	30%
1.8 Percentage of business solutions for digitization	30%	-	-	-	30%



## Programme 2: Intergovernmental Coordination

<b>Purpose</b>	Provide sound sectoral intergovernmental relations and strategic partnerships.
<b>Description</b>	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 sector.

### SUB-PROGRAMMES:

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

<b>2.1 Intergovernmental Relations and Co-ordination Public Entities under NDPWI</b>	<p>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).</p> <p>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.</p>
<b>2.2 Professional Services</b>	<p>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</p> <p>PSB will coordinate and manage the supply of built environment skills to support the state infrastructure delivery programme.</p>

### 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 a wide range of skills required within the built environment.

In this regard, Professional Services in the 2022/23 financial year needs to focus on ensuring that there is a massification of employment opportunities created within the Department, in the Entities and for the projects and programmes being rolled out by the Department and its Entities. The core focus is on building capacity for the state but this capacity must be focused and results driven within the Built Environment as the Construction Industry has been the hardest hit by the Covid-19 Pandemic and the economic downturn. The key elements of focus for 2022/23 and beyond include:

- The capacity building programmes / initiatives must be massified;
- The capacity building programmes / initiatives should have built in transformation objectives.

Outcomes, outputs, performance indicators and targets

Table C3: Programme (Intergovernmental Coordination – Professional Services) – Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	AUDITED/ACTUAL PERFORMANCE					ANNUAL TARGET					
			PERFORMANCE					ESTIMATED PERFORMANCE			MTEF PERIOD		
			18/19	19/20	20/21	21/22	22/23	22/23	23/24	24/25			
Integrated Planning and Co-ordination	Sector Performance	2.1 Approved Sector plan	-	-	-	5 year Sector Plan approved <sup>5</sup>	-	-	-				
		2.2 Number of Sector performance reports	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.	No performance review done during the period under review.	2 Sector Performance reports	2 Sector Performance reports	2 Sector Performance reports					
Transformed Built Environment	Reduced Built Environment Skills Gap	2.3 Number of Beneficiaries participating in the DPWI's skills Pipeline Intervention Programmes	1 100	1 212	1 009	1 000	1 100	1 200	1 200				

<sup>5</sup> The 5 year sector plan has been approved and therefore will not reflect in the quarterly breakdown table for 2022/23 financial year.

*Indicators, Annual and Quarterly Targets***Table C4: Programme (Intergovernmental Coordination – Professional Services) - Indicators, Annual and Quarterly Targets**

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
2.2 Number of Sector performance reports	2 Sector Performance reports	-	1 Sector Performance report	-	1 Sector Performance report
2.3 Number of Beneficiaries participating in the DPWI's skills pipeline intervention programmes	1 100	-	-	-	1 100

**Programme 3: Expanded Public Works Programme**

<b>Purpose</b>	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.
<b>Description</b>	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:

<b>3.1 Monitoring and Evaluation</b>	To monitor, evaluate and report on the implementation of the Expanded Public Works Programme (EPWP).
<b>3.2 Operations</b>	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.
<b>3.3 Partnership Support</b>	Managing stakeholder relations, coordinating economic development through enterprise development and training initiatives.

<b>3.4 Sustainable Livelihoods Convergence and Compliance</b>	<p>Coordinates the use of labour-intensive methods in the construction and maintenance of public sector funded infrastructure projects. Labour intensive infrastructure projects under the EPWP entails:</p> <ul style="list-style-type: none"> <li>• using labour-intensive construction methods to provide work opportunities to local unemployed people;</li> <li>• providing training and skills development to the locally unemployed people; and</li> <li>• building cost effective and quality assets.</li> </ul> <p>Technical support in this regard is provided to implementing public bodies.</p>
<b>3.5 Infrastructure</b>	<ul style="list-style-type: none"> <li>• Develop the EPWP Frameworks (i.e. Policies, Guidelines, and SOPs) and manage the convergence of other sectors in relation to the EPWP.</li> <li>• Manage the analysis of EPWP Programme Reports, Quarterly Reports to DPWI M&amp;E, Ministry, DG, MINTOP (consolidated), MINMEC, NEDLAC, PEP-IMC, Outcomes 4, Cabinet Clusters, Parliamentary Committees.</li> <li>• Execute all secretariat functions of the PEP-IMC.</li> <li>• Coordinate audit processes for the EPWP, development of the branch Strategic Plans, APPs and quarterly reporting thereof to various stakeholders such as NEDLAC and DPWI M&amp;E.</li> <li>• Manage Knowledge Management in the EPWP Branch.</li> </ul>

## 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.

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 contribute towards the outcome of "Optimised Job Opportunities". The overall target of work opportunities to be created by public bodies for the 2022/23 financial year, which the EPWP Branch is required to report on, is 1 252 042.

Outcomes, Outputs, Performance Indicators and Targets

Table C5: Programme (Expanded Public Works Programme) - Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Audited/Actual Performance				Annual Target			
			18/19	19/20	20/21	21/22	22/23	23/24	24/25	MTEF Period
Integrated Planning and Coordination	Work Opportunities reported	3.1 Number of progress reports produced that reflect the work opportunities reported by public bodies on the EPWP-RS.	N/A	N/A	N/A	New Indicator	4 Progress reports produced that reflect the work opportunities reported by public bodies on the EPWP-RS.	4 Progress reports produced that reflect the work opportunities reported by public bodies on the EPWP-RS.	4 Progress reports produced that reflect the work opportunities reported by public bodies on the EPWP-RS.	4 Progress reports produced that reflect the work opportunities reported by public bodies on the EPWP-RS.

*Indicators, Annual and Quarterly Targets***Table C6: Programme (Expanded Public Works Programme) - Indicators, Annual and Quarterly Targets**

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
3.1 Number of progress reports produced that reflect the work opportunities reported by public bodies on the EPWP-RS.	4	1	1	1	1

## Programme 4: Property and Construction Industry Policy and Research

<b>Purpose</b>	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.
<b>Description</b>	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:

<b>4.1 Construction Policy Development Programme</b>	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.
<b>4.2 Property Policy Development Programme</b>	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.

### 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
- Finalise the Public Works Bill for consultation



Outcomes, Outputs, Performance Indicators and Targets

**Table C7: 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				
			18/19	19/20		20/21	21/22	22/23	23/24	24/25
Transformed Built Environment	Infrastructure Legislative Programme	4.1 Expropriation Bill introduced in Parliament <sup>6</sup>	Expropriation Bill (B 4D-2015) referred back to Parliament	The Draft Expropriation Bill has not been submitted to the Minister for Parliamentary process.	The Expropriation Bill [B23-2020] has been introduced to parliament for parliamentary process	-	-	-	-	-
		4.2 Public Works Bill submitted to Minister to introduce to Parliament	N/A	N/A	N/A	Public Works Bill gazetted	Public Works Bill gazetted <sup>7</sup>	-	-	-
		4.3 Amendment of the Construction Industry Development Board Act, 2000 (Act 38 of 2000)	N/A	N/A	N/A	New Indicator	CIDB Amendment Bill submitted to Minister.	-	-	-

<sup>6</sup> Expropriation Bill [B23-2020] is currently before the Portfolio Committee (PC) on Public Works and Infrastructure for Oral and Public hearing Sessions. The PC has considered the report that has been produced from Oral and Public hearings conducted across the country in November 2021. The Department of Public Works and Infrastructure (DPWI) has supported the PC in all Oral and Public hearings.

<sup>7</sup> The delays in finalising the Draft Bill during 2021/22, the target is moved to 2022/23 financial year.

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2022/23

OUTCOME	OUTPUTS	OUTPUT INDICATOR	AUDITED/ACTUAL PERFORMANCE					ANNUAL TARGET		
			ESTIMATED PERFORMANCE					MTEF PERIOD		
			18/19	19/20	20/21	21/22	22/23	22/23	23/24	24/25
		4.4 Infrastructure Development Act Regulations gazetted <sup>8</sup>	N/A	N/A	N/A	New Indicator	Infrastructure Development Act Regulations gazetted	-	-	
		4.5 Infrastructure Development Act amendments submitted to Cabinet	N/A	N/A	N/A	New Indicator	Infrastructure Development Act amendments submitted.	-	-	
Integrated Planning and Coordination		4.6 Number of integrated reports on the status of Strategic Integrated Projects (SIPs) submitted	N/A	N/A	N/A	New Indicator	4	4	4	

<sup>8</sup> The development of the Regulations runs parallel with the amendments to the IDA

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2022/23

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGET					MTEF PERIOD		
			AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD				
			18/19	19/20		20/21	21/22		22/23	23/24
		4.7 NIP 2050 Phase 2: Social and Distributed Infrastructure submitted to Cabinet	N/A	N/A	N/A	New Indicator	1	-	-	-

*Indicators, Annual and Quarterly Targets*

**Table C8: Programme (Property and Construction Industry Policy and Research) Indicators, Annual and Quarterly Targets<sup>9</sup>**

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
4.2 Public Works Bill submitted to Minister to introduce to Parliament	Public Works Bill gazetted	-	Gazette Draft Public Works Bill for public comment.	-	Public Works Bill submitted to Minister to introduce to Parliament
4.3 Amendment of the Construction Industry Development Board Act, 2000 (Act 38 of 2000)	CIDB Amendment Bill submitted to Minister.	Draft CIDB Amendment Bill gazetted.	Consultations with key stakeholders	Draft CIDB Amendment Bill Revised.	CIDB Amendment Bill submitted to Minister.
4.4 Infrastructure Development Act Regulations gazetted	Infrastructure Development Act Regulations gazetted	Draft IDA Regulations submitted to the PICC Council for consideration	Draft IDA Regulations gazetted	Operational Manual for implementation	
4.5 Infrastructure Development Act amendments submitted to Cabinet	Introduction of Infrastructure Development Amendment Bill to Parliament	Draft Infrastructure Development Amendment Bill developed	Draft Infrastructure Development Amendment Bill gazetted for public consultation	Stakeholder analysis and Public Consultation Report development	Final draft Infrastructure Development Amendment Bill submitted to Cabinet for approval to introduce to Parliament
4.6 Number of integrated reports on the status of Strategic Integrated Projects (SIPs)	4	1	1	1	1
4.7 NIP 2050 Phase 2: Social and Distributed Infrastructure submitted to Cabinet	1	-	-	-	1

## Programme 5: Prestige Policy

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

### SUB-PROGRAMMES:

This programme is constituted by the following sub-programmes:

<b>5.1 Prestige accommodation and State functions</b>	To manage the delivery of services to prestige clients in accordance with approved prestige policy frameworks. The frameworks direct the provision and maintenance of movable and immovable assets for prestige clients aligned to the Ministerial Handbook and the effective management of State events.
<b>5.2 Parliamentary Villages Management Board</b>	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. Some of the key focus areas for Prestige in the 2022/23 financial year include:

- Audit of the national key points, starting with the Union Buildings in terms of repair, maintenance and management requirements and request that Facilities Management initiate term contracts to expedite urgent items;
- Urgent servicing of all fire management equipment for national key points;
- In consultation with ICT, ensure that Prestige implements an electronic asset management system, in order to improve efficiencies, allow for better compliance and to be more responsive to the Client.
- Develop unified Standard Operating Procedures and Practice Manuals that enable:
  - cost efficiencies
  - improved communications with clients
  - better response times
  - standardised levels of service
  - better quality, and
  - getting the job done correctly the first time

Outcomes, Outputs, Performance Indicators and Targets

Table C9: Programme (Prestige Policy) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOMES	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGET						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			18/19	19/20	20/21	21/22	22/23	23/24	24/25
Digitised Client Experience	Infrastructure Delivery	5.1 Number of planned state events supported with movable structures	8 Planned State events supported With movable structures	8 Planned State events supported With movable structures	1 Planned State events supported With movable structures	6 Planned State events supported With movable structures	5	6	8
		5.2 Percentage of movable assets provided within 120 working days after approval by Prestige clients <sup>10</sup>	30% movable Assets requests provided within 60 working days After approval by Prestige Clients	50% movable Assets requests provided within 60 working days After approval by Prestige Clients	83.3% movable Assets requests provided within 60 working days After approval by Prestige Clients	60% movable Assets requests provided within 60 working days After approval by Prestige Clients	100% movable Assets requests provided within 120 working days after approval by Prestige Clients	100% movable Assets requests provided within 120 working days After approval by Prestige Clients	100% movable Assets requests provided within 120 working days After approval by Prestige Clients
		5.3 Percentage of provision of moveable assets from a condition assessment register of moveable assets <sup>11</sup>	N/A	N/A	N/A	New KPI	80% of provision of moveable assets from a condition assessment register of moveable assets	80% of provision of moveable assets from a condition assessment register of moveable assets	80% of provision of moveable assets from a condition assessment register of moveable assets

<sup>10</sup> Reactive KPI

<sup>11</sup> Proactive KPI

*Indicators, Annual and Quarterly Targets***Table C10: Programme (Prestige Policy) - Indicators, Annual and Quarterly Targets**

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
5.1 Number of planned state events supported with movable structures	5	1	2	0	2
5.2 Percentage of movable assets provided within 120 working days after approval by Prestige clients	100%	100%	100%	100%	100%
5.3 Percentage of provision of moveable assets from a condition assessment register of moveable assets	80%	20%	20%	20%	20%



**Programme: PMTE Administration**

<b>Purpose</b>	Provide leadership, strategic management, governance and administrative support to the Property Management Trading Entity (PMTE).
<b>Description</b>	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:

<b>6.1 Management Leadership</b>	Office of the Head of PMTE and related services providing strategic leadership, governance and administration support.
<b>6.2 Operations Support Management</b>	Provision of operations support and enabling services.
<b>6.3 Financial and Accounting Management (Finance)</b>	Provision of effective and efficient financial management through sustainable sound internal control measures.
<b>6.4 Supply Chain Management(SCM)</b>	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, Transformed Built Environment, Productive Assets, and Dignified Client Experience and their 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 that delivers in accordance with the original mandate of the PMTE.

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 PMTE can become efficient, effective and economical and be refocused to perform the functions that it was originally establish to perform.

In the 2022/23 financial year, the Property Management Trading Entity (PMTE) has to be restructured back to its original purpose – a trading entity that is, amongst other, able to generate revenue for the Department. This will include reviewing the governance structure, unpacking the purpose and function and ensuring that the strategic outcomes are met by the PMTE.

With respect to the sub-programmes and sub-outcomes, the following key deliverables for the PMTE Administration Programme are highlighted for implementation in the 2022/23 financial year:

- **Effective Governance:** This programme will concentrate on:
  - The governance structure of the PMTE needs to be reviewed and systems put in place to ensure effective functionality and accountability.
  - Re-design the governance structure of the PMTE, along with reporting and related monitoring systems, to ensure focused delivery in accordance with set targets.
  - Alignment of the non-financial and financial targets in the APP.
  - Develop a detailed electronic project / programme management system that is Client-based, includes risk management, contract management, financial management and performance management.
  - Continual and increased monitoring of the fraud risk index.
  
- **Empowered Human Capital:** This programme will concentrate on:
  - Filling of funded vacancies and identification of critical gaps within the PMTE, motivation for filling.
  - Training programme for scarce skills or where there is a need for retraining (e.g. SCM Procurement Committees), up-skilling and reskilling.
  - Increasing staff motivation through innovation opportunities.
  - Increasing staff performance through the roll-out of the employee performance management, all with the aim of creating a capable, ethical State
  
- **Accountable Performance:** This programme will concentrate on:
  - Performance-based budgeting and accountability towards the achievement of PMTE outcomes, in compliance with applicable prescripts, with the aim of achieving an unqualified audit.
  - SCM to ensure that the PPPF Act Policy is in place and that the application for deviation for all infrastructure projects being implemented in DPWI is submitted and approved.
  - The Line Branches in the PMTE need to ensure that there is accountability in delivery to the Department and to the Client, in order to restore the trust of DPWI's clients and to perform the PMTE's mandate.

*Outcomes, Outputs, Performance Indicators and Targets*

**Table C11: Programme (Administration) – Outcomes, Outputs, Performance Indicators and Targets**

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS					
			Audited/Actual Performance	Estimated Performance	MTEF Period			
			18/19	20/21	21/22	22/23	23/24	24/25
A Resilient, Ethical and Capable DPWI	Spend of the allocated budget	6.1 Percentage Financial Performance Level	-	99.5%	100%	100%	100%	100%

*Indicators, Annual and Quarterly Targets*

**Table C12: 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**

<b>Purpose</b>	To optimise utilisation and maximise the value of the State Property Portfolio.
<b>Description</b>	<p>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.</p> <p>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.</p>

**SUB-PROGRAMMES**

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

<b>7.1 User Demand Management</b>	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.
<b>7.2 Planning and Precinct Development</b>	To plan and develop integrated government precincts in urban and rural areas for improved government accommodation and enhanced service delivery.
<b>7.3 Property Performance Management</b>	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.
<b>7.4 Portfolio Analysis</b>	To ensure appropriate investment decisions supporting accommodation solutions that optimize the performance of the immovable asset portfolio under PMTE custodianship.
<b>7.5 Technical Services</b>	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, Ethical 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 2050.

### 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 C13: Programme (Real Estate Investment Services) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGET						
			AUDITED/ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE	MTEF PERIOD				
			18/19	19/20	20/21	21/22	22/23	23/24	24/25
Integrated Planning and Co-ordination	CAMP approved	7.1 Number of approved CAMP submitted to NT	1	1	1	1 CAMP submitted to National Treasury	1 CAMP submitted to National Treasury	1 CAMP submitted to National Treasury	1 CAMP submitted to National Treasury
	Government Precinct Plans	7.2 Number of Government Precinct Development Plans aligned to NSDF, IUDF and Smart City principles	N/A	N/A	N/A	N/A	1	1	1

*Indicators, Annual and Quarterly Targets***Table C14: Programme (Real Estate Investment Services) - Indicators, Annual and Quarterly Targets**

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
7.1 Number of approved CAMP submitted to NT	1 CAMP submitted to National Treasury	-	1 CAMP submitted to National Treasury	-	-
7.2 Number of Government Precinct Development Plans aligned to NSDF, IUDF and Smart City principles	1	-	-	-	1



## Programme: Construction Project Management

<b>Purpose</b>	To provide effective and efficient delivery of accommodation needs for DPWI and User Departments through construction.
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### SUB-PROGRAMMES

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

<b>8.1 Construction Project Planning</b>	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>8.2 Construction Project Management</b>	To programme and project manage the delivery of construction projects within the parameters of time, cost and quality as per the requirements of user departments.

### 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, Ethical and Capable DPWI and Transformed Built Environment 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.

The key role of Construction Project Management relates to the effective and efficient planning, design, implementation and management of infrastructure for Client Departments that will realise value for money and a fit-for-purpose immovable asset.

Further, to ensure that through the delivery of the public works and infrastructure CPM service, to enable the reduction of service delivery backlogs, inclusive of refurbishment and reuse, plus the optimum utilisation of State Assets to create and value share of state property and income generation through state owned properties is a critical function under this programme.

Lastly, of critical importance is to ensure that CPM is not viewed in isolation of the entire infrastructure delivery value chain and that the outputs for this programme and its related projects are financial (delivery of projects on time and within budget) but that there are also other factors that are as critical, namely:

- Best value-for-money: Is government getting the best the optimal product/service for the resources that it is putting in?

- Sustainable job creation: this can be in the form of either contractor empowerment (B-BBEE, women, youth and persons with disabilities, labour intensive practices, EPWP) and/or internal job creation, the use of DPWI's Entities or Implementing Agencies in creative ways, apprenticeships, bursaries, etc.
- New procurement methods and involvement of the private sector. Streamlined procurement is also critical, utilising technology to ensure the avoidance of corruption.
- Monitoring and evaluation through risk management, contract management and the establishment of efficient and effective systems.
- 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 National Treasury.
- Lastly, in the 2022/23 financial year, as was required by the Audit Committee and the Executive Authority, the evaluation criteria to assess the delivery targets will be more than the quantum stipulated and will need to be focused on the output. The key qualitative outputs have been elaborated on in the table. There will also be a value attached, linked to a qualitative assessment, which are to be further unpacked in the Operational Plans.

Outcome	Output	Output Indicator	Action Plans
Integrated Planning and Coordination	Accessible Buildings	8.1 Number of design solutions completed for identified user departments	<ul style="list-style-type: none"> <li>• Frequently designed public assets concept to be developed by PMTE, in consultation with ISA to streamline designs, procurement and costs</li> <li>• Complete the audit of police stations and determine plan of action with SAPS</li> <li>• Begin action master plans for other client facilities, starting with the courts</li> </ul>
		8.2 Number of Projects completed within agreed construction period	<ul style="list-style-type: none"> <li>• Streamlined SCM and Contract Management Process plus trained procurement committees</li> <li>• Training for DPWI Project Managers and employment of more in-house Project Managers</li> <li>• Reduction of the backlog</li> <li>• Alignment of the qualitative performance of projects with the budgetary allocation (longer-term budget projects)</li> </ul>
	Completed Project Spend	8.3 Number of infrastructure projects completed within approved budget	<ul style="list-style-type: none"> <li>• Management of interdependencies with Client Departments to be addressed in the 2022/23 FY</li> <li>• Ring-fencing of the capital and operational allocations for identified approved multi-year projects. (Direct allocation from NT)</li> <li>• SOPs for value-chain programmes</li> </ul>

		8.4 Number of infrastructure sites handed over for construction	<ul style="list-style-type: none"> <li>• Construction logistics digitalisation to improve efficiencies in project management, monitoring and reporting</li> <li>• Accountability, and implementation of e-contract management</li> </ul>
Sustainable Infrastructure Investment	Completed Project	8.5 Number of infrastructure projects completed	<ul style="list-style-type: none"> <li>• Best practice and lessons learned through monitoring and evaluation</li> <li>• Integration and handover to the community / beneficiaries</li> <li>• Feedback into the contract management system</li> <li>• Linkage to other Branches / Systems established and strengthened (e.g. FM Branch and IAR)</li> <li>• Feedback to the Client Departments to improve the Client experience</li> </ul>

Outcomes, Outputs, Performance Indicators and Targets

**Table C15: Programme (Construction Project Management) - Outcomes, Outputs, Performance Indicators and Targets**

OUTCOME	OUTPUTS	OUTPUT INDICATOR	AUDITED/ACTUAL PERFORMANCE					ANNUAL TARGET			
			MTEF PERIOD					ESTIMATED PERFORMANCE	22/23	23/24	24/25
			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	-	-	1	1	85	111	112		
		8.2 Number of Projects completed within agreed construction period	30	78	56	85	75	75	76		
	Completed Project Spend	8.3 Number of infrastructure projects completed within approved budget	68	125	78	85	125	125	125		
		8.4 Number of infrastructure sites handed over for construction	107	116	88	90	90	148	148		
	Sustainable Infrastructure Investment	Completed Project	103	145	103	95	125	131	131		

*Indicators, Annual and Quarterly Targets***Table C16: 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	85	23	25	19	18
8.2 Number of Projects completed within agreed construction period	75	13	29	47	75
8.3 Number of infrastructure projects completed within approved budget	125	19	40	66	125
8.4 Number of infrastructure sites handed over for construction	90	23	23	21	23
8.5 Number of infrastructure projects completed	125	20	43	72	125

**Programme: Real Estate Management Services**

<b>Purpose</b>	To timeously provide and manage suitable accommodation in support of user needs to meet their service delivery objectives.
<b>Description</b>	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:

<b>9.1 Management of Freehold Property</b>	To optimally manage the freehold portfolio to support service delivery and generate revenue and extend the life-cycle of the properties
<b>9.2 Land Administration and Management</b>	Management of land parcels.
<b>9.3 Surplus Freehold Stock (Revenue) Management</b>	To drive and create a funding stream for capital maintenance and improvements to extend the life-cycle of existing freehold properties
<b>9.4 Leasehold Management</b>	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, and a Transformed Built Environment, the role of the Programme relates to the provision of the various classes of government-owned property, which are suitable and compliant for either lease, disposal/sale, use or donation. The respective government-owned properties or land available, can be utilised for agriculture, human settlement or for other socio-economic purposes that can benefit identified communities. The primary aim is for land reform, land redistribution and land tenure, in order to rectify the spatial discrepancies of the past.

Outcomes, Outputs, Performance Indicators and Targets

**Table C117: Programme (Real Estate Management Services) - Outcomes, Outputs, Performance Indicators and Targets**

OUTCOME	OUTPUT	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE E 21/22	MEDIUM-TERM TARGETS		
		18/19	19/20	20/21	22/23		23/24	24/25	
Productive Assets	Lease Portfolio size	9.1 Number of private leases reduced within the security cluster	0 private leases reduced within the security cluster	0 private leases reduced within the security cluster	3 private leases reduced within the security cluster	3 private leases reduced within the security cluster	3 private leases reduced within the security cluster	3 private leases reduced within the security cluster	
	Rand Value savings on identified portfolio of Assets	9.2 Savings realised on identified private leases	-	R1 595 025,94	R100 Mil Savings realised on identified private leases	R100 Mil Savings realised on identified private leases	R50 Mil Savings realised on identified private leases	R15 Mil Savings realised on identified private leases	
	Rand Value Revenue Generated	9.3 Percentage increase in revenue generation through letting of State-owned properties	21% increase in revenue generation through letting of state-owned properties	0% increase in revenue generation through letting of state-owned properties	8% increase in revenue generation through letting of state-owned properties	8% increase in revenue generation through letting of state-owned properties	10% increase in revenue generation through letting of state-owned properties	10% increase in revenue generation through letting of state-owned properties	
Transformed Built Environment	Number of unutilised vacant state owned properties let out	9.4 Number of unutilised vacant state owned properties let out	-	63 unutilised vacant state owned properties let out	70 unutilised vacant state owned properties let out	100 unutilised vacant state owned properties let out	150 unutilised vacant state owned properties let out	150 unutilised vacant state owned properties let out	

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2022/23

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE E 21/22	MEDIUM-TERM TARGETS		
			18/19	19/20	20/21		22/23	23/24	24/25
		9.5 Number of unutilised vacant state owned properties let out for GBV purposes	N/A	N/A	N/A	New indicator	10	10	10
	Empowered designated groups (Woman, youth, people with disabilities)	9.6 Percentage leases awarded to companies with categories A, B and D of the approve Property Empowerment Policy.	N/A	N/A	N/A	35%	35%	35%	35%
Digitified Client Experience		9.7 Percentage leases let out to companies with BBBEE of 4 and above	N/A	N/A	N/A	5%	50%	50%	50%
	Customer centric organisation	9.8 Percentage of new private leases signed with a maintenance plan	N/A	N/A	100%	100%	100%	100%	100%



DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2022/23

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED/ ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE E 21/22	MEDIUM-TERM TARGETS		
			18/19	19/20		20/21	22/23	23/24
Integrated Planning and Coordination	Ha released from the DPWI portfolio for development of Infrastructure programs <sup>12</sup>	9.9 Ha released from the DPWI portfolio for development of Infrastructure programs and socio-economic objectives	-	-	21 132 hectares	161 913 hectares	5 100 hectares	5 100 hectares

<sup>12</sup> This KPI has been moved from the REIS Programme to the REMS Programme

*Indicators, Annual and Quarterly Targets***Table C18: 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	3	-	-	-	3
9.2 Savings realised on identified private leases	R100 Million	-	R50 Million	-	R50 Million
9.3 Percentage increase in revenue generation through letting of State-owned properties	8%	-	2%	4%	2%
9.4 Number of unutilised vacant state owned properties let out	100	-	15	60	25
9.5 Number of unutilised vacant state owned properties let out for GBV purposes	10	-	2	5	3
9.6 Percentage leases Awarded to companies with categories A, B and D of the approved Property Empowerment Policy.	35%	-	15%	-	20%
9.7 Percentage leases let out to companies with BBBEE of 4 and above	50%	-	10%	30%	10%
9.8 Percentage of new private leases signed with a maintenance plan	100%	100%	100%	100%	100%
9.9 Ha released from the DPWI portfolio for development of Infrastructure programs and socio-economic objectives	161 913 hectares	-	-	-	161 913 hectares

**Programme: Real Estate Information and Registry**

<b>Purpose</b>	To develop and maintain the Immovable Asset Register (IAR) which supports DPWI/PMTE business requirements and to provide oversight, regulation and monitoring of the IAR for the State.
<b>Description</b>	To maintain an accurate and reliable Immovable Asset Register which is an authoritative source and core tool of DPW/PMTE being utilised to discharge its mandate of providing accommodation and land to various client departments and custodians of immovable assets in order to meet the service delivery and socio economic objectives of the State. Provide guidance and support to other custodians in the compilation of the compliant immovable asset registers that will inform a single integrated Immovable repository to be used by National, Provincial and Local Government for integrated planning and implementation of infrastructure projects.

**SUB-PROGRAMMES**

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

<b>10.1 Asset Registry Services</b>	The development and finalization of processes in respect of user asset management plans and custodian asset management plans ensure the effective utilization of State immovable assets for various capital, refurbishment and maintenance projects and a uniform approach for budgetary programmes. In this regard, the IAR remains core to the business of PMTE. In fact, it serves as the primary catalyst for enabling investment decisions and portfolio management.
<b>10.2 State Land Management and IAR Concurrent Mandate</b>	Surveying of State Domestic Facilities, Vesting of land parcels and endorsement of title deeds in collaboration with other National and Provincial custodians of immovable assets through the Government Implementation Technical Committee and other governance structures of the Public Works Sector. Address management assertions, develop and review policies and frameworks to ensure uniformity and compliance in the management of immovable assets.

**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.

Outcomes, Outputs, Performance Indicators and Targets

Table C19: Programme (Real Estate Information and Registry) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGET					MTEF PERIOD			
			AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	2021					
			18/19	19/20		20/21	21/22		22/23	23/24	24/25
Productive Assets	Compliance Verification	10.1 Number of National and Provincial Immovable Asset Registers assessed for compliance	9	9	9	9	9	9	9	9	9
			9 626	21 401	12 035	21 000	23 860	22 273	22 273		
		10.2 Number of immovable assets physically verified to validate existence and assess condition									

*Indicators, Annual and Quarterly Targets***Table C20: Programme (Real Estate Information and Registry) - Indicators, Annual and Quarterly Targets**

OUTPUT INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4
10.1 Number of National and Provincial Immovable Asset Registers assessed for compliance	9	2	2	2	3
10.2 Number of immovable assets physically verified to Validate existence and assess condition	23 860	5 965	5 965	5 965	5 965

## Programme: Facilities Management

<b>Purpose</b>	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.
<b>Description</b>	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.

### SUB-PROGRAMMES

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

<b>11.1 Scheduled Maintenance</b>	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.
<b>11.2 Safety, Health, Environment, Risk &amp; Quality (SHERQ) Management</b>	To ensure compliance with SHERQ regulatory framework, by conducting proactive and re-active inspections at workplaces.
<b>11.3 Unscheduled Maintenance Management</b>	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. The condition of buildings is, however, 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.

The key role of Facilities Management relates to the effective and efficient maintenance of infrastructure and assets for Client Departments and the state that will realise value for money and a fit-for-purpose immovable asset register. Further, to ensure that through the delivery of the public works and infrastructure Facilities Management service needs to ensure that the State Assets are optimally maintained.

Facilities Management Branch often 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. There is therefore a need to view Facilities Management as a whole and a critical part of the value chain, taking into account:

- Best value-for-money: Is government getting the best the optimal product/service for the resources that it is putting in?
- Sustainable job creation: this can be in the form of either contractor empowerment (B-BBEE, women, youth and persons with disabilities, labour intensive practices, EPWP) and/or internal job creation, the use of DPWI's Entities or Implementing Agencies in creative ways, apprenticeships, bursaries, etc.
- New procurement methods and involvement of the private sector. Streamlined procurement is also critical, utilising technology to ensure the avoidance of corruption.
- Monitoring and evaluation through risk management, contract management and the establishment of efficient and effective systems.
- 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 National Treasury.

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

Outcomes, Outputs, Performance Indicators and Targets

Table C21: Programme (Facilities Management) - Outcomes, Outputs, Performance Indicators and Targets

OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGET						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			18/19	19/20	20/21	21/22	22/23	23/24	24/25
Productive Assets	Conditions of buildings and critical components	11.1 Number of condition assessments conducted on identified / prioritised properties	N/A	N/A	118	200	220	242	266
		11.2 Number of critical components assessed to determine the conditions of components (lifts, boilers, HVAC and Gensets and Water systems)	N/A	N/A	209	400	440	484	532
Dignified Client Experience	Maintained facilities	11.3 Number of preventative maintenance contracts to reduce reactive maintenance	N/A	N/A	N/A	165	180	200	220



*Indicators, Annual and Quarterly Targets***Table C22: 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	220	25	45	75	75
11.2 Number of critical components assessed to determine the conditions of components (lifts, boilers, HVAC and Gensets and Water systems)	440	50	100	145	145
11.3 Number of preventative maintenance contracts to reduce maintenance	180	-	60	60	60

### 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 Programme's outputs are supplied.

#### Programme 1: Management

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: A RESILIENT, ETHICAL AND Capable DPWI		
Outputs	Contribution	Disaggregating priorities in relation to women, youth and people with disabilities
<b>Ethics and Fraud Perception Rating</b>	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
<b>Compliance Rate (Management practices)</b>	To measure the level of compliance measured against an approved set of criteria.	N/A
<b>Percentage Performance Information Level</b>	To achieve in institutional operational performance level of ultimately 100% as measured against predetermined objectives.	N/A
<b>Percentage Financial Performance</b>	The Department aims to improve the spending trend on the allocated budget to 100%.	N/A
<b>Percentage Vacancy Rate</b>	The Department 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
<b>Designated groups in SMS level in the Department</b>	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
<b>Percentage Business Process Automation</b>	Implementation of an ICT enterprise architecture will enable modernisation of systems and automation of business processes.	N/A
<b>Percentage of business solutions for digitisation</b>	Will measure the Implementation of the business solutions developed to support digitalisation of the enterprise data.	N/A

**Programme 2: Intergovernmental Coordination**

<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: INTEGRATED PLANNING AND CO-ORDINATION</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities</b>
<b>Sector Performance Reports</b>	The Performance Reviews seek to ensure implementation of plan that combines the deliverables of the National Department and Provinces. These reviews will be presented at Technical MinMEC & MinMEC and progress reported bi-annually.	N/A
<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: TRANSFORMED BUILT ENVIRONMENT</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities.</b>
<b>Number of Beneficiaries Participating in the DPWI's skills Pipeline Intervention Programmes Schools Programme</b>	Improvement in the skills-set within the built environment by creating training opportunities for beneficiaries to participate in the various Skills Pipeline Interventions Programmes within DPWI	Will seek to address the previous inequalities experienced by previously disadvantaged persons

**Programme 3: Expanded Public Works Programme**

<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: OPTIMISED JOB OPPORTUNITIES</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities.</b>
3.1 Number of reports prepared on the 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 National Treasury over the MTEF.	The target will be disaggregated in terms of 60% Women, 55% youth and 2% PWD

## Programme 4: Property and Construction Industry Policy and Research

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: TRANSFORMED BUILT ENVIRONMENT		
Outputs	Contribution	Disaggregating priorities in relation to women, youth and people with disabilities
Public Works Bill	The indicator response to the transformed built environment outcome to develop a single legislation on the role of DPWI as the infrastructure lead department and to identify areas that require regulating to enable enhanced infrastructure delivery.	The Public Works Bill must take into account the 6 <sup>th</sup> Administration's 7 key priorities, recognising the need for transformation, especially as it relates to women, youth and persons with disabilities.

## Programme 5: Prestige Policy

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: DIGNIFIED CLIENT EXPERIENCE		
Outputs	Contribution	Disaggregating priorities in relation to women, youth and people with disabilities
Number of planned state events supported	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 and provide the movable assets within 60 working days.	N/A

## Programme 6: Administration

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

## Programme 7: Real Estate Investment Services

<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH</b> <b>SP OUTCOME: INTEGRATED PLANNING AND COORDINATION</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities</b>
<b>Extent of land (HA) availed for socio-economic purposes</b>	The indicator measures the extent of land that has been availed to enable infrastructure development in respect of the total government infrastructure program that provides for funding over the 5yr MTSF and beyond.	N/A
<b>Ha released from the DPWI portfolio for development of Infrastructure programs and socio economic objectives</b>	This indicator seeks to measure the extent of State land availed in the financial year.	From the commencement of the 2022/23 FY DPWI to determine what demographic sector properties are released to.
<b>Approved CAMP submitted to NT</b>	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.	N/A

## Programme 8: Construction Project Management

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: PRODUCTIVE ASSETS		
Outputs	Contribution	Disaggregating priorities in relation to women, youth and people with disabilities
Rand value (Percentage of RandValue) of the Asset Portfolio (Completed projects) with 80% targets	Asset Portfolio size	N/A
SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: PRODUCTIVE ASSETS		
Outputs	Contribution	Disaggregating priorities in relation to women, youth and people with disabilities
Government buildings with accessibility facilities	To improve client experience	Number of government buildings adequately retrofitted to accommodate persons with disabilities
Percentage new major Capex projects implemented / completed	To improve client experience	All new infrastructure completed in DPWI must be fully compliant to accommodate persons with disabilities

## Programme 9: Real Estate Management Services

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: PRODUCTIVE ASSETS		
Outputs	Contribution	Disaggregating priorities in relation to women, youth and people with disabilities
Portfolio assets	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.

<b>Number of unutilised vacant state owned properties let out</b>	The indicator measures the percentage of vacant, unutilised surplus to requirement (non-strategic) State-owned properties let out within the financial year from the identified list of properties.	From the 2022/23 FY DPWI to determine where available the equity targets of state-owned properties let-out
<b>Lease Portfolio size</b>	Leverage on the size of the portfolio	N/A
<b>Average rate utilization (Average Building)</b>	To improve client experience	N/A
<b>Rand Value Savings on identified Portfolio of Assets</b>	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 FY	N/A
<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH</b>		
<b>SP OUTCOME: PRODUCTIVE ASSETS</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities</b>
Rand Value Revenue Generated	Contribute to the constrained fiscus	N/A
<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH</b>		
<b>SP OUTCOME: DIGNIFIED CLIENT EXPERIENCE</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities</b>
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
<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH</b>		
<b>SP OUTCOME: TRANSFORMED BUILT ENVIRONMENT</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities</b>
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

<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: INTEGRATED PLANNING AND CO-ORDINATION</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities</b>
Number of Provincial Immovable Asset Registers assessed	The indicator is measuring the extent of compliance to the relevant prescripts and National Treasury guidelines on Immovable Assets.	N/A

<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: PRODUCTIVE ASSET</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities</b>
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 determine the value which will be recorded in the IAR and disclosed in the Annual Financial Statements value.	N/A

## Programme 11: Facilities Management

<b>SP IMPACT: I INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: PRODUCTIVE ASSETS</b>		
<b>Outputs</b>	<b>Contribution</b>	<b>Disaggregating priorities in relation to women, youth and people with disabilities</b>
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 contracts.
Building Performance		N/A
Resource Efficiency Index	To reduce water/ electricity consumption through innovative initiatives	N/A



<b>SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH</b> <b>SP OUTCOME: DIGNIFIED CLIENT</b>		
Outputs	Contribution	Disaggregating 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	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

## Programme Resource Considerations

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

**Table C1 23: Resource Considerations – Main Vote**

Programmes	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2018/19	2019/20	2020/21	2021/2022	2022/2023	2023/2024	2024/2025
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Administration	448 316	460 670	384 339	504 532	512 151	509 116	526 443
Intergovernmental Coordination	50 425	52 448	42 296	58 541	63 810	62 971	65 046
Expanded Public Works Programme	2 532 725	2 638 163	2 412 105	2 921 066	3 074 703	3 085 205	3 231 075
Property and Construction Industry Policy and Research	4 247 318	4 583 839	4 643 784	4 780 965	4 816 192	4 834 043	5 051 375
Prestige	184 765	85 094	48 510	89 106	80 411	77 611	80 275
<b>Total</b>	<b>7 463 549</b>	<b>7 820 214</b>	<b>7 531 034</b>	<b>8 354 210</b>	<b>8 547 267</b>	<b>8 568 946</b>	<b>8 954 214</b>

## Expenditure Overview (Summary Budget)

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; and facilitating skills development in the construction and property sectors. 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. An estimated 87.2 per cent (R22.7 billion) of the department's total budget over the medium term is allocated to transfers and subsidies for the operations of its entities, and conditional grants to provinces and municipalities for the implementation of the expanded public works programme. An estimated 12.6 per cent (R3.3 billion) of the department's budget over the period ahead is earmarked for spending on compensation of employees and goods and services.

### Creating Work Opportunities

The Department continues to lead and coordinate the Expanded Public Works Programme (EPWP). 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". EPWP subscribes to outcome 4 which states "Decent employment through inclusive economic growth."

The Department plans to generate 4 reports each year over the medium term on the work opportunities in the EPWP-reporting system by public bodies. These reports will outline the departments' achievement of reaching its anticipated work opportunities target. To provide support for and enhance the management and technical capacity of the 290 public bodies that implement the programme, the department has allocated R1.2 billion over the medium term in the *Expanded Public Works Programme*. Of this, an estimated 5.9 per cent (R558 million) is earmarked for spending on compensation of employees, and 6.7 per cent (R632.8 million) for spending on goods and services, particularly data capturing and verification, and monitoring and evaluation. The programme has a total budget of R9.4 billion, increasing at an average annual rate of 3.4 per cent, from R2.9 billion in 2021/22 to R3.2 billion in 2024/25.

### ***Better service delivery, oversight and cooperation***

The department leads and coordinates policies and legislative frameworks that guide the implementation of the public works function at the provincial and municipal levels, and oversees and manages the provinces' performance. For the department to carry out this oversight role, R77.5million is allocated to the *Intergovernmental Relations and Coordination subprogramme* in the *Intergovernmental Coordination programme*. Spending on compensation of employees accounts for an estimated R124.1 million over the medium term. .

### ***Enhancing skills development in the construction and property sectors***

The *Intergovernmental Coordination programme* seeks 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. The department plans to increase the number of built environment graduates and improve the skills-set within the built environment by creating training opportunities for beneficiaries to participate in the various Skills Pipeline Interventions Programmes within the department.

This imperative is facilitated by the department's skills pipeline strategy, which makes provision for technical bursary schemes, internships, learnerships, property management training and artisan development, with structured workplace training to expedite professional development and registration. The department seeks to increase the number of beneficiaries participating in the DPWI's skills pipeline intervention programmes from 1009 in 2020/21 to 1200 in 2024/25. For activities related to skills development, R95.5 million is allocated over the medium term in the *Professional Services subprogramme* in the *Intergovernmental Coordination programme*.

**Table C1 24: Resource Considerations – PMTE**

Expenses	Audited Outcome			Approved Budget	Medium-term expenditure estimate		
	2018/19	2019/20	2020/21	2021/22	2022/2023	2023/2024	2024/2025
Objective/Activity	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	4 427 353	5 553 958	5 126 857	777 191	976 811	934 559	778 017
Real estate investment services	173 766	180 993	177 213	220 286	229 246	230 511	236 616
Construction management services	398 568	388 229	367 622	460 927	485 713	488 207	500 713
Real estate management services	10 729 510	11 712 931	11 458 054	10 559 306	12 935 560	12 294 139	9 036 709
Real estate registry services	54 342	62 913	59 839	58 608	64 284	64 801	66 751
Facilities management services	3 830 290	4 046 473	2 781 312	3 646 528	3 692 790	3 796 587	3 424 301
<b>Total</b>	<b>19 613 829</b>	<b>21 945 497</b>	<b>19 970 897</b>	<b>15 722 846</b>	<b>18 384 404</b>	<b>17 808 805</b>	<b>14 043 107</b>

### Entity Overview

Over the medium term, the entity will focus on developing precincts to support efficient and integrated government planning by grouping departments that provide similar services to make service delivery more efficient; refurbishing and maintaining government buildings in its portfolio; and developing 12 small fishing harbours. To achieve these objectives, the entity plans to spend R66.8 billion over the MTEF period, increasing at an average annual rate of 3.8 per cent, based on projections that there will be an increase in services provided to client departments, from R20.8 billion in 2021/22 to R20.1 billion in 2024/25. An estimated 66.8 per cent (R38.6 billion) of the entity's total budget is allocated to goods and services, mainly for repairs and maintenance of state-owned buildings, and lease payments.

A key component of the PMTE's funds will be channeled towards improving access for people with disabilities, as such the Department is intending to complete 48 accessibility infrastructure projects to retrofit building to make them accessible for people with disabilities over the medium term. The Department will also execute the refurbishment, repair, DPW: Capital and Client: Capital projects for 24 departments, including correctional centers, police stations, courts, office buildings and prisons. The execution of these projects is projected to cost R19.3 billion over the MTEF period. A further R4.4 billion has been allocated over the medium term for building maintenance.

The PMTE generates revenue mainly through management fees earned through administrative services, rentals charged to user departments, as well as through transfers from the Department of Public Works and Infrastructure. Over the medium term, revenue is expected to decrease from R20.804 billion in 2021/22 to R20.176 billion in 2024/25, at a decreased average annual rate of 0.5 per cent. The slight decrease of revenue over the MTEF is attributable to the loss of revenue relating

Municipal Services Management Fees due to the devolution of the Municipal Services payment to clients. The accommodation and lease charges accounts for most of the revenue collected. Administrative services provided include the collection of rental income from both government and privately owned buildings rented by government departments and other state institutions

A spending review was conducted by the National Treasury with the assistance of the Department. The review was conducted on the Compensation Budget of the PMTE in line with the initiative on Zero Based Budgeting. The outcome of the review provided the detailed understanding of the expenditure drivers and composition of spending on compensation of employees and outsourced services with recommendations on how to achieve the optimum balance. This will be explored further in collaboration with National Treasury.

## 4 Part D: Links to other plans

C5: Updated 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.

### Key Risks per Outcome

OUTCOME	RISK	RISK MITIGATION
<b>Outcome 1: A Resilient, Ethical and Capable DPWI</b>	Cyber Security (Cyber-attack or data breach)	<ul style="list-style-type: none"> <li>Real-Time Analytics</li> <li>Enforce security protocols</li> <li>Firewalls</li> </ul>
	External shocks/Natural hazards (Covid-19 / Pandemic / Fires)	<ul style="list-style-type: none"> <li>Business Continuity Plans</li> <li>Adherence to Covid-19 Regulations</li> <li>Disaster Recovery Plan</li> <li>Fire and Emergency reports</li> <li>Evacuation drills</li> </ul>
	Fraud and Corruption	<ul style="list-style-type: none"> <li>Awareness and training</li> <li>Consequence management</li> <li>Anti-Corruption Hotline</li> <li>Speak to DG/DM/Minister Protocols</li> <li>Media Statements</li> </ul>
<b>Outcome 2: Integrated planning and Coordination</b>	Perceived stakeholder interference/interest and influence	<ul style="list-style-type: none"> <li>MINMEC</li> <li>Technical MINMEC</li> <li>Stakeholder Fora</li> <li>Joint-Task Teams</li> </ul>
<b>Outcome 3: Sustainable Infrastructure Investment</b>	Project Hijack	<ul style="list-style-type: none"> <li>Stakeholder Fora</li> <li>Law enforcement Agencies</li> <li>Community Sessions</li> </ul>
	Low Investor Confidence	<ul style="list-style-type: none"> <li>Long-Term Infrastructure Plan</li> <li>Symposiums</li> </ul>
<b>Outcome 4: Productive Assets</b>	Infrastructure/Asset failures	<ul style="list-style-type: none"> <li>Project preparation</li> <li>Scenario Analysis</li> <li>Contingency plans</li> <li>Project Risk Reports</li> <li>Term Contracts</li> <li>Service provider verification/screening</li> </ul>
	Possible Lock-outs by Landlords	<ul style="list-style-type: none"> <li>Stakeholder engagements (landlords and DPWI)</li> <li>Dispute Resolution Committee</li> </ul>

OUTCOME	RISK	RISK MITIGATION
<b>Outcome 5: Transformed Built Environment</b>	Possible Collusion and Fronting	<ul style="list-style-type: none"> <li>• <i>Preferential Procurement Regulations</i></li> <li>• Broad-Based Black Economic Empowerment (B-BBEE) <i>Codes of Good Practice</i></li> <li>• Empowerment policies</li> </ul>
	Perceived stakeholder interference/interest and influence	<ul style="list-style-type: none"> <li>• MINMEC</li> <li>• Technical MINMEC</li> <li>• Stakeholder Fora</li> <li>• Joint-Task teams</li> <li>• Transformation Agenda Summits</li> </ul>
OUTCOME	RISK	RISK MITIGATION
<b>Outcome 6: Optimised Job Opportunities</b>	Demand risk for certain designated groups	<ul style="list-style-type: none"> <li>• Technical support</li> <li>• Awareness (Marketing and Communication Programme)</li> </ul>
<b>Outcome 7: Dignified Client Experience</b>	Reputational damage	<ul style="list-style-type: none"> <li>• SLAs</li> <li>• Communications Alert/Brief</li> <li>• Media Statements</li> </ul>

## Public Entities

## Public Entities reporting to the Minister of Public Works and Infrastructure

Name of Public Entity	Mandate	Outcomes	2022/23 budget (R '000)
<b>Construction Industry Development Board (CIDB)</b>	The CIDB was established in terms of the Construction Industry Development Board Act 38 of 2000.	<ul style="list-style-type: none"> <li>Increased black-ownership and participation.</li> <li>Increased woman-ownership and participation.</li> <li>Contractor Development.</li> <li>Performance driven clients.</li> <li>Reduced non-compliance and fraud.</li> <li>Ethical and Performance driven CIDB.</li> </ul>	80 012
<b>Council for the Built Environment (CBE)</b>	CBE was established in terms of the Council for the Built Environment Act 43 of 2000.	<ul style="list-style-type: none"> <li>Optimum Functioning CBE</li> <li>Transformed Built Environment</li> <li>Skilled Built Environment Professionals</li> <li>Informed decision making that impacts the current and future operational requirements of the industry.</li> <li>Promote and protect public interest in the Built Environment.</li> <li>Promote and protect public interest in the Built Environment.</li> </ul>	54 495
<b>Agrément South Africa (ASA)</b>	ASA was established in terms of the Agrément South Africa Act 11 of 2015.	<ul style="list-style-type: none"> <li>A capable, ethical and developmental entity.</li> <li>Optimised use of Non-Standardised construction related products and systems.</li> <li>Quality manufactured Non Standardised products and systems</li> <li>Broadened geographic footprint of Non-standardised products and systems.</li> </ul>	33 951
<b>Independent Development Trust (IDT)</b>	The IDT was integrated into the public service delivery system in 1999 with the promulgation of the Public Finance Management Act (PFMA) (Act 1 of 1999), as a schedule 2 Entity	<ul style="list-style-type: none"> <li>Increased access to quality social infrastructure</li> <li>A transformed built environment</li> <li>Decent employment through public (infrastructure) programmes</li> <li>A financially sustainable and compliant entity</li> </ul>	N/A <sup>13</sup>

<sup>13</sup> IDT does not get an allocation prior to the start of the Financial Year, because it is a Schedule 2 public entity, meaning that it is running as a company and it is supposed to generate its own funds.



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**Infrastructure Projects**

A description of infrastructure projects that will be implemented during the medium term period<sup>14</sup>:

No.	Project Name	Description	Output	Type (Capital, planned maintenance, accessibility etc)	Start Date	Completion Date	Total Estimated Cost
1	STANDERTON DOEL: CONSTRUCTION OF A BUILDING	STANDERTON DOEL: CONSTRUCTION OF A BUILDING	Sustainable Infrastructure Investment	Capital	9/29/2021	3/15/2023	34,718,065.64
2	PORT ALFRED SAPS: CONDITION BASED MAINTENANCE ON CIVIL AND STRUCTURAL ELEMENTS OF STATION AND OFFICIAL QUARTERS	PORT ALFRED SAPS: CONDITION BASED MAINTENANCE ON CIVIL AND STRUCTURAL ELEMENTS OF STATION AND OFFICIAL QUARTERS	Sustainable Infrastructure Investment	Planned Maintenance	05/12/2019	25/10/2022	R 47 413 771, 41
3	JOUBERTINA SAP ERF 1200: REPAIRS AND MAINTENANCE OF ELECT, CIVIL, MECH AND STRUCTURAL ELEMENTS OF THE COMPLEX	JOUBERTINA SAP ERF 1200: REPAIRS AND MAINTENANCE OF ELECT, CIVIL, MECH AND STRUCTURAL ELEMENTS OF THE COMPLEX	Sustainable Infrastructure Investment	Planned Maintenance	25/11/2020	10/03/2022	R 37 445 597, 29
4	BULEMBU SAPS AIRWING ERF2284 BISHO: REPAIRS AND MAINTENANCE OF ELET, MECH, CIVIL & STRUCTURAL ELEMENTS TO THE COMPLEX	BULEMBU SAPS AIRWING ERF2284 BISHO: REPAIRS AND MAINTENANCE OF ELET, MECH, CIVIL & STRUCTURAL ELEMENTS TO THE COMPLEX	Sustainable Infrastructure Investment	Planned Maintenance	07/07/2020	09/06/2022	R 66 179 257, 40
5	PORT ELIZABETH : FOREST HILL MILITARY BASE: HEALTH CENTRE : CONSTRUCTION	PORT ELIZABETH : FOREST HILL MILITARY BASE: HEALTH CENTRE : CONSTRUCTION	Sustainable Infrastructure Investment	Capital Works	15/01/2020	18/12/2023	R 474 950 000, 00
6	WHITTLESEA SAPS: ERF 166 MAIN ROAD: REPAIRS & MAINTENANCE OF ELECT, CIVIL, MECH & STRUCTURAL ELEMENTS TO THE COMPLEX	WHITTLESEA SAPS: ERF 166 MAIN ROAD: REPAIRS & MAINTENANCE OF ELECT, CIVIL, MECH & STRUCTURAL ELEMENTS TO THE COMPLEX	Sustainable Infrastructure Investment	Planned Maintenance	01/03/2022	30/05/2022	R 13 633 498, 74

<sup>14</sup> This is a snapshot of projects earmarked for completion in the 2022/23 financial year. This snapshot represents projects above the R15 million.

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No.	Project Name	Description	Output	Type (Capital, planned maintenance, accessibility etc)	Start Date	Completion Date	Total Estimated Cost
7	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	Sustainable Infrastructure Investment	Capital	04/12/2019	08/02/2023	R 373,078,786.80
8	SOSHANGUVE MAGISTRATE'S OFFICE ADDITIONAL ACCOMMODATION AND REPAIR THE PARKING AND STORM WATER	SOSHANGUVE MAGISTRATE'S OFFICE ADDITIONAL ACCOMMODATION AND REPAIR THE PARKING AND STORM WATER	Sustainable Infrastructure Investment	Capital	17/10/2019	30/04/2022	R 89,807,860.67
9	MTHATHA MAGISTRATE COURT	MTHATHA MAGISTRATE COURT	Sustainable Infrastructure Investment	Planned Maintenance	09/01/20	17/06/2022	73,192,231.00
10	MACLEAR MAGISTRATE COURT	MACLEAR MAGISTRATE COURT	Sustainable Infrastructure Investment	Planned Maintenance	04/02/2021	05/08/2022	16,151,750.74
11	PRETORIA: MAINTENANCE, MODERNISATION, & REPAIR OF LIFTS IN PTA (VARIOUS BUILDINGS)	PRETORIA: MAINTENANCE, MODERNISATION, & REPAIR OF LIFTS IN PTA (VARIOUS BUILDINGS)	Sustainable Infrastructure Investment	Planned Maintenance	10/25/2019	10/24/2022	R 68 316 771.63
12	PRETORIA: MAINTENANCE OF LIFTS AT VARIOUS BUILDINGS IN PRETORIA & SURROUNDING AREAS	PRETORIA: MAINTENANCE OF LIFTS AT VARIOUS BUILDINGS IN PRETORIA & SURROUNDING AREAS	Sustainable Infrastructure Investment	Planned Maintenance	10/25/2019	10/24/2022	R 49 930 723.00
13	THABA TSWANE PERSONEL SCHOOL	THABA TSWANE PERSONEL SCHOOL	Sustainable Infrastructure Investment	Capital	03/02/2021	11/07/2022	70 654 830.24

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No.	Project Name	Description	Output	Type (Capital, planned maintenance, accessibility etc)	Start Date	Completion Date	Total Estimated Cost
14	MOSSEL BAY MAGISTRATE'S OFFICE: REPAIRS AND RENOVATIONS INCLUDING ELECTRICAL AND MECHANICAL WORK	MOSSEL BAY MAGISTRATE'S OFFICE: REPAIRS AND RENOVATIONS INCLUDING ELECTRICAL AND MECHANICAL WORK	Sustainable Infrastructure Investment	Planned Maintenance	2020/11/23	2022/11/22	29,282,245.97
15	PARROW FORENSIC LABORATORY: INTEGRATED FACILITIES MANAGEMENT SERVICES	PARROW FORENSIC LABORATORY: INTEGRATED FACILITIES MANAGEMENT SERVICES	Sustainable Infrastructure Investment	Planned Maintenance	2017/11/20	2022/11/19	52,729,557.74
16	CONTRACT A, MODERNIZATION, REPAIRS AND MAINTENANCE OF LIFTS IN THE WESTERN CAPE	CONTRACT A, MODERNIZATION, REPAIRS AND MAINTENANCE OF LIFTS IN THE WESTERN CAPE	Sustainable Infrastructure Investment	Planned Maintenance	2016/01/25	6/24/2022	69,029,385.96
17	CONTRACT B, MODERNIZATION, REPAIRS AND MAINTENANCE OF LIFTS IN THE WESTERN CAPE	CONTRACT B, MODERNIZATION, REPAIRS AND MAINTENANCE OF LIFTS IN THE WESTERN CAPE	Sustainable Infrastructure Investment	Planned Maintenance	2015/11/20	2022/05/19	75,087,493.66
18	SALDANHA MILITARY BASE: CONSTRUCTION OF SICK BAY FACILITY	SALDANHA MILITARY BASE: CONSTRUCTION OF SICK BAY FACILITY	Sustainable Infrastructure Investment	Capital	2020/01/29	2022/05/06	70,485,674.35
19	GROOTE SCHUUR ESTATE: HERITAGE - UPGRADING OF CIVIL INFRASTRUCTURE	GROOTE SCHUUR ESTATE: HERITAGE - UPGRADING OF CIVIL INFRASTRUCTURE	Sustainable Infrastructure Investment	Capital	2020/03/10	2022/09/09	163,975,000.00
20	SA POLICE SERVICE, VEREENIGING, REPAIR AND RENOVATIONS AND PROVISION OF ALTERNATIVE ACCOMMODATION FOR THE DURATION OF THE PROJECT	SA POLICE SERVICE, VEREENIGING, RENOVATIONS AND PROVISION OF ALTERNATIVE ACCOMMODATION FOR THE DURATION OF THE PROJECT	Sustainable Infrastructure Investment	Planned Maintenance	7/23/2020	12/9/2022	114,911,228

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No.	Project Name	Description	Output	Type (Capital, planned maintenance, accessibility etc)	Start Date	Completion Date	Total Estimated Cost
21	CORRECTIONAL SERVICES, JOHANNESBURG, LEEUWKOP: REPLACEMENT OF BOILERS AND MAINTENANCE OF BOILERS FOR THE PERIOD OF 24 MONTHS	CORRECTIONAL SERVICES, JOHANNESBURG, LEEUWKOP: REPLACEMENT OF BOILERS AND MAINTENANCE OF BOILERS FOR THE PERIOD OF 24 MONTHS	Sustainable Infrastructure Investment	Capital	5/22/2016	6/20/2022	27,915,448
22	PUBLIC WORKS & INFRASTRUCTURE, JOHANNESBURG, REHABILITATION OF NO 85 ANDERSON STREET JOHANNESBURG FOR DPWI	PUBLIC WORKS & INFRASTRUCTURE, JOHANNESBURG, REHABILITATION OF NO 85 ANDERSON STREET JOHANNESBURG FOR DPW	Sustainable Infrastructure Investment	Planned Maintenance	2020/06/11	2023/05/22	525,538,692
23	SA POLICE SERVICE, JOHANNESBURG, CLEVELAND, REPAIRS AND MAINTENANCE OF ROOF OF THE POLICE STATION	SA POLICE SERVICE, JOHANNESBURG, CLEVELAND, REPAIRS AND MAINTENANCE OF ROOF OF THE POLICE STATION	Sustainable Infrastructure Investment	Planned Maintenance	2020/06/08	2022/12/22	116,187,345
24	DEFENCE & MILITARY VETERANS, RANDFONTEIN, PRESIDENT KRUGER: COMPLETE REPAIR AND RENOVATION INCLUDING FENCING	DEFENCE & MILITARY VETERANS, RANDFONTEIN, PRESIDENT KRUGER: BUILDING: COMPLETE REPAIR AND RENOVATION INCLUDING FENCING	Sustainable Infrastructure Investment	Planned Maintenance	2020/02/25	2022/02/14	80,959,250
25	PUBLIC WORKS & INFRASTRUCTURE, JOHANNESBURG, 49 FENNEL STR WORKSHOP FEURBISHMENT FOR ICT DISASTER RECOVER Y PLAN DRP	PUBLIC WORKS & INFRASTRUCTURE, JOHANNESBURG, 49 FENNEL STR WORKSHOP FEURBISHMENT FOR ICT DISASTER RECOVER Y PLAN DRP	Sustainable Infrastructure Investment	Planned Maintenance	2019/09/11	2022/04/05	59,603,538
26	TAUNG CONSTRUCTION OF NEW ACCOMMODATION	TAUNG CONSTRUCTION OF NEW ACCOMMODATION	Sustainable Infrastructure Investment	Capital	18/11/2019	30/06/22	R 27,488,385.82

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No.	Project Name	Description	Output	Type (Capital, planned maintenance, accessibility etc)	Start Date	Completion Date	Total Estimated Cost
27	BRITS REPAIRS AND RENOVATIONS OF THE POLICE STATION	BRITS REPAIRS AND RENOVATIONS OF THE POLICE STATION	Sustainable Infrastructure Investment	Planned Maintenance	05/12/2018	30/09/22	R 51,117,234,24
28	BLOEMFONTEIN REPAIRS AND MAINTENANCE TO LIFT INSTALLATIONS IN VARIOUS GOVERNMENT BUILDINGS	BLOEMFONTEIN REPAIRS AND MAINTENANCE TO LIFT INSTALLATIONS IN VARIOUS GOVERNMENT BUILDINGS	Sustainable Infrastructure Investment	Planned Maintenance	3/8/2020	3/7/2023	R23,211,036.00
29	BLOEMFONTEIN REGIONAL OFFICE CORRECTION ON COMPLETION FOR RETENTION CONTRACT WCS 043244	BLOEMFONTEIN REGIONAL OFFICE CORRECTION ON COMPLETION FOR RETENTION CONTRACT WCS 043245	Sustainable Infrastructure Investment	Planned Maintenance	3/17/2021	3/16/2023	R33,110,407.00
30	SOUTH AFRICAN POLICE SERVICE: PRETORIA: MIGRATION OF VISPOL TO TELKOM TOWERS, IT BUILDING: REMEDIAL WORK TO ADDRESS THE PREREQUISITE OCCUPATIONAL HEALTH AND SAFETY COMPLIANCE PARAMETERS	SOUTH AFRICAN POLICE SERVICE: PRETORIA: MIGRATION OF VISPOL TO TELKOM TOWERS, IT BUILDING: REMEDIAL WORK TO ADDRESS THE PREREQUISITE OCCUPATIONAL HEALTH AND SAFETY COMPLIANCE PARAMETERS	Sustainable Infrastructure Investment	Capital	01-07-2022	01-03-2023	R63,000,000.00

### **Public-Private Partnerships (PPPs)**

The Department, working with Infrastructure South Africa and the Infrastructure Fund is developing a Refurbishment Operate and Transfer Programme (ROTP), which aims to attract capacity (capital and skills) from private sector to assist Government to improve the condition of specific facilities [as a pilot].

The programme is planned to be out in two phases with the first phase being a project on at least three strategic facilities that require immediate intervention and the second phase being the long term roll out of the ROT Programme to the remainder of the High Priority Facilities.

## 5 Part E: Technical Indicator Descriptions

Please note that the technical Indicator Descriptions are published on the DPWI website – click/follow this link: <http://www.publicworks.gov.za/strat-plan.html>

## 6 Part F: Annexures to the Annual Performance Plan

### Annexure A: Amendments to the Strategic Plan

None

### Annexure B: Conditional Grants

Name of Grant	Purpose	Outputs	Current annual budget (R thousands) 2022/23	Period of grant
EPWP Integrated Grant for Municipalities	<p>To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines:</p> <ul style="list-style-type: none"> <li>• road maintenance and the maintenance of buildings</li> <li>• low traffic volume roads and rural roads</li> <li>• basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure)</li> <li>• other economic and social infrastructure</li> <li>• tourism and cultural industries</li> <li>• waste management</li> <li>• parks and beautification</li> <li>• sustainable land-based livelihoods</li> <li>• social services programmes</li> <li>• community safety programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Number of Full-Time Equivalents (FTEs) to be created through the grant</li> <li>• Number of people employed and receiving income through the EPWP</li> <li>• Number of days worked per work opportunity created</li> </ul>	R778 million (prelim)	2022/23 municipal financial year



DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2022/23

Name of Grant	Purpose	Outputs	Current annual budget (R thousands) 2022/23	Period of grant
EPWP Integrated Grant for Provinces	<p>To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme (EPWP) guidelines:</p> <ul style="list-style-type: none"> <li>• road maintenance and the maintenance of buildings</li> <li>• low traffic volume roads and rural roads</li> <li>• other economic and social infrastructure</li> <li>• tourism and cultural industries</li> <li>• sustainable land based livelihoods</li> <li>• waste management</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people employed and receiving income through the EPWP</li> <li>• Number of days worked per work opportunity created</li> <li>• Number of full-time equivalents (FTEs) to be created through the grant</li> </ul>	R433 million	2022/23 financial year
Social Sector EPWP Incentive Grant for Provinces	<p>To incentivise provincial social sector departments, identified in the EPWP social sector plan, to increase work opportunities by focusing on the strengthening and expansion of social sector programmes that have employment potential</p>	<ul style="list-style-type: none"> <li>• 9 852 Full-Time Equivalents (FTEs) funded through the grant</li> <li>• A minimum of 11 329 people employed and receiving income through the EPWP grant</li> <li>• A minimum average duration of 200 person days for work opportunities created</li> <li>• A minimum of 150 000 beneficiaries provided with social services</li> </ul>	R424 million	2022/23 financial year

### **Annexure C: Consolidated indicators**

The consolidated indicators were developed. The DPWI indicators for the MTSF (lead or contributing) have been developed and the variations for the 2022/23 financial year have been identified in Annexure B. The differences identified in some provincial KPIs are still being discussed to conclude the KPIs.

### **Annexure D: District Development Model**

The Department is consulting various stakeholders to develop the DDM.

The 2022/23 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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